Daily Report
Latin America

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Panama's Noriega on Domestic Crisis, Peace

PA152329 Hamburg DPA in Spanish 2155 GMT 15 Sep 87

[Text] Mexico City, 15 sep (DPA)—General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, blamed a "group of conservative officials" in the U.S. Government for his country's political crisis.

Noriega is in Mexico City to attend the military parade to be held tomorrow commemorating Mexico's independence at the invitation of Defense Minister General Juan Arevalo Cardoqui.

In statements to a television channel, the "strongman" of Panama said that this group of officials "continues to regard the canal and the Canal Zone as U.S. territory."

Asked about the recent Central American agreement known as Esquipulas II, he said that it is an "important step" toward regional peace.

He added that the agreement requires the participation and goodwill of all the parties to the conflict in order for the agreement to be effective.

Also, he said that the Panamanian Government contributed as much as possible to the peace process and that, specifically, it spoke to Nicaragua to get it to join the regional endeavor.

Central American peace, he added, "will be the result of all the contributions of all the parties in the conflict." "Whoever fails will be condemned by the other," he concluded.

UNOMASUNO Berates President's Address

PA141745 Mexico City UNOMASUNO in Spanish 7 Sep 87 p 10

[Article by Roman Munguia Huato: "The State of the Nation Report Versus Urban Reality"—all italics as published]

[Text] The fifth state of the nation report is particularly important within the 6-year political calendar and is the most important bureaucratic event of the year. First of all, this is the president's *last* speech—as president in office—except for last minute surprises, which would be nothing more than populist symbolism or histrionic scenes such as the one involving bank *nationalization* in 1982. Second, this report tries to present a general balance of what the administration reportedly did during the last 5 years. Third, the report must appear as the most important political event, because it presents the administration's main achievements.

The fifth state of the nation report—the president's penultimate one—is not characterized by the nostalgia that will be evident in his sixth and final address—the nostaliga of losing the immense power accumulated over 6 years; an immense power that dictates what must and must not take place in the country. The fifth state of the nation report also advocates *revolutionary unity* during the presidential *transition* and notes that the nation abounds with optimism about its future. The report must be, above all, a speech emphasizing the PRI'S triumph. It is quite unnecessary to wait for the last report to know if there will be any surprises. This was clear since the first report, and it was easy to predict halfway through the 6-year period that the current administration would not stray from the policy that it has pledged to the country's dominant sectors—which do not exactly comprise the majority of the population.

The current administration encountered a stumbling block in its efforts to settle the economic crisis. The government's highest officials outlined quite early on a strategy to lessen the impact of the crisis on those social sectors that truly wield political power in our country. Capital had to adopt an anticrisis policy, which has attained favorable results in its austerity measures, wage ceilings, and a permanent inflation spiral. The consequences represent, on the one hand, extreme poverty for the workers and, on the other hand, greater riches for local and foreign businessmen. This is precisely why the statement that progress has been achieved concerning *urban* problems is pure demagoguery. Contrary to what the excessively optimistic state of the nation report says, the housing problem increases quantitatively and qualitatively every day.

The fictional triumph in the urban sector can only exist in the upper level bureaucrats' speeches. The *great* achievements of urban housing and of the ecological policy reportedly stem from the Democratic Planning System; but everyone knows that the so-called consultations with the people are not consultations at all and do not involve the people's participation. The truth is that the *national decentralization* policy has been a complete failure. The industrial decentralization of Mexico City's metropolitan area, "the reorganization of economic activities throughout the national territory, and regional development" only exists in feverish bureaucratic minds. "The detrimental growth tendency of the three largest cities" cannot be stopped with a decree. The "*realistic* and harmonious policies" to attain "an organized urban development" simply do not exist.

National reconstruction apparently became one of the "great stategies;" nevertheless, 2 years after the earthquake tragedy, the housing reconstruction plans' slowness is evident. This slowness sharply contrasts with the rapidity with which tourism programs are implemented, such as that for Bahias de Huatulco, which will be used exclusively by the *jet set*. This million-dollar investment could easily have been channeled to cover thousands of people's most urgent needs. This clearly reveals the government's priorities

and the *decentralization policy's*"strategic sectors." The housing policy is characterized, as usual, by its bureaucratic inability to fulfill the workers' demands, despite the *genuine* international awards received by the current adminstration. You cannot cite million-dollar financing figures, or houses built the last 5 years, and compare them with previous 6-year periods if you do not objectively establish a relation between these actions and the population explosion, inflation, foreign debt expenses, and the GNP. It is clear that the PRI government is not interested in solving the housing problem, even though it has the constitutional framework to prepare a federal housing law or an urban reform package.

The ecological policy was implemented too late, and when it was the policy was merely publicity and symbolic action; 100 ecological actions will not stop the ecology's deterioration or the incessant deforestation. The state of the nation report avoids once more the problem of the activities of the Laguna Verde nuclear plant. Likewise, the National System for Democratic Planning legitimizes in an authoritarian way the fact that Mexico City's inhabitants cannot democratically elect their authorities and are still condemned by the Federal District Representatives Assembly to live as fifth-rate citizens. Consequently, we have a fictitious urban policy in addition to a fictitious law.

PRI, PAN Supporters Clash in Ciudad Juarez

FL111347 Mexico City NOTIMEX in Spanish 0539 GMT 11 Sep 87

[Text] Ciudad Juarez, Mexico—10 Sep (NOTIMEX)—Violent clashes between members of the PRI and PAN [National Action Party] have been reported outside Ciudad Juarez city hall. The incident occurred when Chihuahua Governor Fernando Baeza Melendez arrived to open a meeting of northern border municipality mayors. According to the local police, one person was seriously injured and another arrested.

The police explained that the incident occurred after some 40 PRI members, who reside in poor neighborhoods, found PAN members waiting for the governor, mayors, local deputies, and PRI leaders, as well as municipal officials, in an open area in front of city hall.

PDM Selects Its Presidential Candidate

PA142004 Mexico City Red Nacional 13 Imevision Television in Spanish 0130 GMT 14 Sep 87

[Text] Gumersindo Magana Negrete will be the presidential candidate of the Mexican Democratic Party, PDM. His candidacy was decided this afternoon during the 9th PDM national convention. Magana Negrete was chosen with 787 votes for, 16 against, and 350 abstentions. The PDM candidate said all the political parties should act in a responsible manner during the election process.

El Salvador

Duarte Has'Relapse', Misses Ceremonies

PA150430 San Salvador Canal Doce Television in Spanish 0200 GMT 15 Sep 87

[Text] Within 15 days, President Jose Napoleon Duarte has had a relapse of a viral disease. Because of his delicate health, he has been absent from various activities.

People close to President Duarte said that he has dengue, a viral disease transmitted by a mosquito that causes high fevers and pain throughout the entire body.

Although presidential sources have neither officially confirmed nor denied that President Duarte has dengue, Duarte has not attended several official ceremonies that have taken place in the last few weeks. However, a government official has said that Duarte goes to his presidential office every day.

It is expected that because of his delicate health, Duarte will not attend the ceremonies commemorating the country's independence tomorrow. The ceremonies will be held at La Flor Blanca Stadium.

Duarte Says Peace Dialogue Deadline Expires

PA151745 Panama City in Spanish 1653 GMT 15 Sep 87

[Text] San Salvador, 15 Sep (ACAN-EFE)—Salvadoran President Jose Napoleon Duarte today rejected the possibility of setting a new date for a meeting with the guerrillas and reiterated that the rebels must lay down their weapons, join the democratic process, and fully accept the Esquipulas II Agreements.

Duarte, who this morning presided over the official ceremonies commemorating the 166th anniversary of Central America's independence from Spain, emphatically said the deadline for a new dialogue meeting expired today.

Duarte added that "the guerrillas have been proposing dates and have changed those dates on three occasions; however, that is not the important thing. What is important is for them to define their position, not to propose dates."

"I will neither accept a new date nor propose any position (regarding a meeting with the guerrillas) because the deadline for them to accept the peace plan completely expires today," the Salvadoran president stressed.

The FMLN and FDR representatives met for the second time with Costa Rican President Oscar Arias on Monday. It was said "progress" had been made toward resuming a dialogue with President Duarte. At the meeting, described by the Salvadoran rebels and by Costa Rican officials as "productive," the possibility of a new dialogue meeting between the government and the guerrillas by the end of this month was mentioned.

Duarte Holds Talks With U.S. Ambassador Busby

PA131303 San Salvador Canal Doce Television in Spanish 0200 GMT 12 Sep 87

[Text] President Jose Napoleon Duarte spoke yesterday with Morris Busby, new U.S. roving ambassador for Central America, with whom he discussed—among other things—the Central American peace plan signed in Guatemala City.

According to an official report, Duarte told the U.S. diplomat that the Esquipulas II peace plan is a mechanism for peace, and not for war, as some politicians have tried to present it. Meanwhile, Busby reiterated to President Duarte that the Reagan administration will not stop providing military support to the Nicaraguan contras, because there are serious doubts as to whether the Sandinist government will fulfill the plan.

The report adds that the meeting between the two officials lasted approximately 2 hours. Also present were U.S. Ambassador Edwin Corr, Presidential Adviser Alejandro Duarte, Planning Minister Fidel Chavez Mena, and Culture and Communications Minister Adolfo Rey Prendes.

Assembly Refuses To Grant Rebels Amnesty

PA121321 San Salvador Canal Doce Television in Spanish 0200 GMT 11 Sep 87

[Marco Antonio Guevara report]

[Excerpt] The ARENA [Nationalist Republican Alliance] Party's proposal for a temporary amnesty so seven guerrilla leaders could enter the country was defeated in a National Assembly vote by the Christian Democratic Party and the PCN [National Conciliation Party].

The proposal that the rebels receive temporary amnesty to hold a dialogue was rejected today by the National Assembly. ARENA had asked that its proposal bypass regular channels and be debated immediately. However, the PCN and the Christian Democratic Party rejected the proposal. [passage omitted]

Nicaragua

D. Ortega Visits Oil Storage Base

PA131455 Managua Sistema Sandinista Television in Spanish 0100 GMT 9 Sep 87

["Special Edition" of "Face the People" program presided over by President Daniel Ortega at Leon-Chinandega, Region 2, on 6 September; presented by the "Presidency Press and Information Directorate" passages within quotation marks recorded]

[Excerpts] Nicaraguan President Commander of the Revolution Daniel Ortega Saavedra carried out a full agenda in Leon-Chinandega, Region 2, accompanied by Nicaraguan Vice President Sergio Ramirez and members of the national and regional cabinet.

During the visit, which began at 1000 on 5 September, Commander Ortega inaugurated the Piedras Blancas oil storage base, located at km No 59 on the old road to Leon, after listening to work reports on the construction of the base presented by INE [Nicaraguan Energy Institute] Minister-director Emilio Rappaccioli and INE Deputy Minister-director Carlos Molina. [Unidentified speaker] "We designed a project that includes essentially two phases. The first one is the Piedras Blancas storage base, with a capacity of 30,000 cubic meters; and the El Tempisque project, which was originally designed to be an equidistant point between Piedras Blancas base and the oil refinery. El Tempisque has a pumping system capable of supplying the amount of oil that the existing oil pumps cannot deliver to the Managua refinery.

"We presently have all the necessary imported material for the El Tempisque project here in Nicaragua, but the problem is that we have a first phase with a capacity of 30,000 cubic meters, and the oil pumps have a capacity of only 20,000 cubic meters. That means that the Piedras Blancas Base alone will increase the country's crude storage capacity by 40 percent.

"The project began in May 1985 and was completed in June 1987. We have completed 99 percent of the project, but we still have to finish off details concerning aesthetics and efficiency. However, the base began to operate in June. We stored oil and pumped it to the refinery around 13 July.

"Approximately 30 qualified Nicaraguan workers participated in the construction of this base. We had welders, assemblers of steel structures, etc. In addition we had approximately 10 Soviet technicians and engineers and some 20 Cubans who participated in the construction of the whole project.

"A team of five Soviet technicians contributed to the completion of the Piedras Blancas project. That is the solidary reply of the Soviet people to the terrorist attack we experienced at Corinto, where the CIA destroyed our oil storage posts, causing a large fire that endangered the life of the entire Corinto population. Thanks to the solidarity of the Soviet people and the CPSU, we completed this work, on which the Cuban comrades also cooperated. Therefore, I want to send my greetings to all the Soviet and Cuban comrades. [applause]"

Subsequently, President Ortega and his retinue met with members of the FSLN committee of Region 2 to discuss their political work and the new directives that they will promote. [passage omitted] [Ortega] "In such an important center such as this one [experimental cotton center], the permanence of workers and research despite the many difficulties becomes strategic for the future of the center, because if we did not have any workers with more than 3 years of experience, instead of having 24 percent, and if most workers, especially technicians and scientists, were new and the more experienced ones only had 3 years of service, I am sure that comrade (Marin) would have been unable to mention the positive aspects of the report he presented us today. The support offered by the experience of technicians and scientists becomes vital for our country's future.

"We also want to tell you that we have confidence in your discipline, in your disposition to continue working in this center, in your willingness to improve your work and increase the power of the available resources, and in your strong willingness to defend not only through your [word indistinct] work, but also by participating in the revolution's military defense as the comrade leader of the labor union pointed out. Greetings to you, comrade workers. Onward. Free fatherland...[crowd shouts: "Or death!"] [applause] [passage omitted]

"The opportunity that workers have to speak, demand, and protest like you do here is very important. I understand the concern that our comrade, who was getting you all a little tired, has. What is the name of that comrade? [crowd shouts name].

"I would say that 99 percent of what he said is correct. The problem is that he was using slightly theoretical arguments to try to explain himself, and that made it difficult to understand his explanations. However, he is right about many things. For example, when he spoke about freight transportation and the way in which that activity is exploited—he said that there is alot of exploitation of freight transportation—he is correct. What he said is true. We have been discussing that problem with the national planning council, because we are concerned about the port and we know that the transportation system that operates here is not fully exploited. Those primarily responsible for that situation are the revolution's enterprises, which lend themselves to exploit transportation irrationally."

"We have to seriously start taking control of those transportation cooperatives or transporters who overprice their services. We will confiscate those means of transportation and will put them under control of individual state enterprises or a group of state enterprises to exploit those means more adequately. We hope that with this measure, other transporters who are also profiteering will understand the problem. The comrade also mentioned other points concerning work organization; this is where the problem must be resolved.

"Retired persons pose a very delicate situation, because it is very unfair that a man who has worked for so many years and finally reaches retirement, should receive a monthly stipend that is very ridiculous and with which he cannot even survive. Their request is correct; it is just. I could say right now to give 200,000 cordobas to the retired comrades, but we are not going to resolve their problem by giving 200,000 cordobas. It would be better to look for a way of giving the retired comrades some products.

"It is important, comrades, that this meeting be ended this afternoon by remembering the poet-priest, Father (Isaias H. Pares), who died 33 years ago today. He was

born here in Corinto. Above all, we must render homage to the Corinto comrades who have given their lives in defense of our revolution. Another person we must pay homage to is the American Bryan Wilson. Today he is closer to the Nicaraguan people and, therefore, to the Corinto workers. Free fatherland! [applause]"

During a meeting with zone committees and MITRANS [Ministry of Transportation], MICONS [Ministry of Construction], customs, and railroad officials, among others, President Ortega received reports on the advances of the Corinto coastal protection project, the Corinto-Chinandega railroad reconstruction, and the situation of the bridges over the Paso Caballos estuary.

The political hopes, the questions, and suggestions of community problems and its art, expressed by the Leon community, made the "Face the People" program a vibrant one; the program was held in the Ivan Montenegro gym in the city of Leon. [passage omitted]

[Ortega] "We want to greet the representatives of heroic mothers who are accompanying us tonight and are at the vanguard of all of us. [applause] These mothers were talking to us about amnesty. They stated that they do not agree with a general amnesty. We signed a document in Guatemala to give concrete steps toward the attainment of peace, so the Nicaraguan people do not continue suffering, so that Nicaraguan mothers do not continue suffering. However, it was not determined whether it would be a general amnesty. I understand the mothers' message perfectly when they say they cannot accept that the genocidal guards who have been murdering children, women, and old people be received under the amnesty. We also understand when Cardinal Obando states that it should be a general amnesty. It is his opinion, and we must respect it. We are going to give serious thought to this matter of amnesty. We will surely take Cardinal Obando's opinion into account, and we must listen to him. However, we must also take into account the mothers' opinion. Everyone has the right to express a point of view.

"You have welcomed us with much joy and we leave with your joy and with new energies, because you have transmitted energy, joy, and strength to keep on fighting with determination. You have received us with great songs, and I want to tell you that in this rebel Leon, filled with verses, great songs, (subtiave) drums, and volcano rumbles, we will continue to defeat the Yankee aggressor. Long live Leon! [applause]"

Minister Says Oil Restrictions to Continue

PA121346 Managua Sistema Sandinista Television in Spanish 0200 GMT 10 Sep 87

[Text] Fuel restrictions will continue. INE [Nicaraguan Institute of Energy] Minister Emilio Rappaccioli has said the recent Soviet donation of 100,000 tons of oil and the oil shipment from Peru will not change the measures announced by the government. He added that although the oil shortage has been reduced considerably, the restrictions will continue to guarantee defense and production.

[Begin Rappaccioli recording] We must realize that the oil shortage means we still do not have a secured and guaranteed oil supply to meet the country's needs under the current conditions. We are facing economic restrictions within an economy of survival, and consequently the restrictions must continue. The recently announced measures of reducing the delivery and consequently the consumption of diesel fuel and gasoline by 11 percent therefore will continue without any change. [end recording]

Minister Rappaccioli said the results of suspending work on Saturdays for more than 20,000 state employees in the Managua municipality are already noticeable. He added that oil requisitions received at the Comptroller General's Office have dropped considerably.

Ramirez Discusses Peace Plan

PA111446 Managua Radio Sandino in Spanish 1211 GMT 11 Sep 87

[Text] Vice President Sergio Ramirez said last night: We are ahead of the other countries in implementing the Esquipulas II agreement, but we hope the other countries also abide by the simultaneous implementation provisions.

Vice President Ramirez referred to the statements made by Social Christian Party President Erick Ramirez, who said only publicity actions have been carried out so far. The vice president said: We must ask our friend Erick to be patient. The vice president said the debate on an amnesty, which is currently being covered by the news media, is healthy for the Nicaraguan people, but President Daniel Ortega will make the final decision on this issue.

[Begin recording] [Ramirez] We think it is incongruous that while Central American countries are exerting themselves to attain peace — proved by the peace agreement signed by the Central American presidents — the U.S. Administration is clearly trying to disrupt these peace efforts by creating obstacles and undermining these efforts. The request for additional aid to the counterrevolution obviously is a plan to undermine the peace efforts, because the counterrevolution is the crux of the conflict. Peace in Central America will not be possible as long as the U.S. Government continues to support the terrorist forces [words indistinct].

[Reporter] Doctor, [words indistinct] the trip to Honduras?

[Ramirez] Well, tomorrow I will attend a meeting of Central American vice presidents to discuss the final draft of an agreement to create a Central American parliament. Consequently, if everything comes out as expected, we would have a definite project to create a Central American parliament, which would be presented at the next Central American presidential meeting, scheduled for January 1988. I will avail myself of the opportunity and participate in a breakfast meeting with

Honduran political leaders. The meeting will be attended by leaders of the Honduran National Party, Honduran Liberal Party, PINU [Innovation and Unity Party], and the Christian Democratic Party. I also plan to meet with President Azcona at noon in the Presidential Palace. I expect to be back in Managua tomorrow afternoon.

[Reporter] Any special message from President Ortega to President Azcona?

[Ramirez] Well, I want to tell President Azcona about all of Nicaragua's efforts to implement the Esquipulas II agreement; how much progress we have achieved in implementing the agreement; our hope that the simultaneous implementation will be carried out; and our hope that Nicaragua's efforts will be duplicated by others.

[Reporter] Doctor, the Esquipulas II agreement was signed 30 days ago. What is your analysis of the actions carried out by our country?

[Ramirez] Well, we are ahead of the other Central American countries in implementing the agreement. The National Reconciliation Commission is working already and has held its first meeting. We have authorized the return of priests who could not enter the country under the Emergency Law. This is an open process, and Nicaragua is willing to continue showing goodwill until 5 November, when the agreement [words indistinct]. We reassert that we want to seriously abide by the spirit and letter of the Esquipulas II agreement. We will not evade our pledge to fulfill the agreement, but we face a complex situation. The U.S. Government wants to foil the efforts to implement the agreement, but we support the Central American presidents' desire. The Central American nations' historic decision in Esquipulas will be fully implemented. [end recording]

Tinoco Stresses Adherence to Peace Plan
PA101559 Managua Radio Sandino in Spanish 1200 GMT 10 Sep 87

[Text] Nicaraguan Vice Foreign Minister Victor Hugo Tinoco said in San Salvador yesterday that Nicaragua is willing to fulfill the Guatemala peace plan commitments regardless of what the rest of the Central American governments do.

At a news conference that was interrupted by a guerrilla group, Vice Foreign Minister Tinoco said the fulfillment of some of the agreements, especially those regarding security issues, depends on the Reagan administration's suspension of aid to the counterrevolutionary forces. Tinoco added that Managua is taking specific steps to fulfill the agreement.

An FMLN guerrilla group, whose members had their faces covered, placed a flag on the main platform during the news conference and distributed copies of a guerrilla communique.

Finally, Tinoco said the Nicaraguan Catholic Church has taken a responsible stand on the peace plan, an attitude that is encouraging the government.

Wheelock, Soviet Envoy Attend CDS Ceremony
PA102123 Managua Radio Sandino in Spanish 1200 GMT 10 Sep 87

[Excerpts] Nicaraguans celebrated the 9th anniversary of the creation of the Sandinist Defense Committees [CDS] with a ceremony in Roberto Gonzalez neighborhood in Chinandega. FSLN member Jaime Wheelock, diplomats accredited in Nicaragua, and members of the regional government presided over the ceremony. [passage omitted]

Vadim Zagladin, USSR deputy director of international relations [title as heard], read the message sent by Mikhail Gorbachev to President Daniel Ortega:

[Begin recording of Soviet translator in Spanish] I am very thankful to be here among you. The Sandinist revolution and its struggle for life renewal [words indistinct] close and understandable for our people. We want to express our deep solidarity with the heroic Sandinist struggle. I believe that you understand those [words indistinct]. Some 60 years ago, our people carried out its revolution. At that time, imperialism tried to hinder the [word indistinct] election of the path we wanted to follow, just as it is doing with you now. We, like you now, [words indistinct] to define [words indistinct]. Imperialism also tried to strangle us with the blockade, just as it is doing to you now. However, our great ideals for freedom, democracy, and socialism helped us to painfully traverse all the [word indistinct], paths, and shortcuts to attain a powerful socialist society. [end recording]

Commander Jaime Wheelock said that the CDS face a challenge: To win the ideological war that is approaching. [passage omitted]

Cuban Officer on Advisers in Nicaragua
PA131450 Mexico City Xew Television Network in Spanish 1300 GMT 12 Sep 87

[Text] Military representatives from Cuba, Israel, Nicaragua, and the GDR are in our country. They were invited to participate in the 170th anniversary of Mexico's independence. The military representatives signed the book of distinguished guests at the airport.

General Irving Ruiz, Vice minister of the Cuban Armed Forces, later said that his country will support Nicaragua in the event of any foreign intervention. He conceded that Cuba has a group of military advisers giving support to the Sandinist government.

In addition, Major General Joaquin Cuadra Lacayo, Nicaraguan vice defense minister, said that the request for $270 million for the contras in the United States comes as no surprise to his country. He said that this action hinders the peace process in Central America.

Costa Rican Arrested Transporting Weapons
PA121702 Managua Radio Sandino in Spanish 1200 GMT 12 Sep 87

[Communique issued by the Interior Ministry's Public and International Relations Directorate in Managua on 11 September]

[Text] The Interior Ministry [MINT] reports that at 1515 on 9 September during a routine vehicle inspection on the Nandaime-Rivas road, Costa Rican citizen Bernardo Humberto Vidal Vargas, who was driving a Jeep Cherokee with Costa Rican licence plate No 52511, was arrested.

Vidal Vargas was arrested after it was discovered he was carrying the following weapons and military supplies hidden in the Cherokee: 9 AK folding-stock rifles; 23 AK magazines; 1 Model 23/25 submachine gun; 7 grenades, including 5 fragmentation grenades; 6 detonators; 2 magazines, one for Thompson submachine guns and another for Ceska pistols; and an M-15 rifle magazine.

During the preliminary investigations it was discovered that Vidal Vargas, in complicity with another Costa Rican citizen, Jorge Mora Paniagua, a merchant employed by the Costa Rican enterprise Ibero-American Commerce, Inc., CICOSA, was trying to take the weapons to Costa Rica, with intentions not yet determined by our authorities.

The MINT will issue a further report on the case once the investigation is over.

Panama

Miller May Be Declared Persona Non Grata

PA160215 Paris AFP in Spanish 2301 GMT 15 Sep 87

[Text] Panama City, 15 Sep (AFP)—THE U.S. Government today protested to the Panamanian Government over the arrest on Sunday of David Miller, the U.S. Embassy's economic adviser, by which "international diplomatic law has been violated."

In addition, U.S. Ambassador Arthur Davis, who this afternoon visited an event staged by employees and reporters of the newspaper *La Prensa*, which has been closed by the government, said Washington "wants to see some political changes" in Panama. Davis, however, declined to make any further comments.

Panamanian Foreign Minister Jorge Abadia said Erick Arturo Delvalle's government could declare Miller persona non grata, which would force Miller to leave the country.

Ambassador Davis said that diplomatic relations between the two governments "are at their lowest" as the result of Miller's "unjustified arrest for 8 hours."

Miller was arrested when he attended "as an observer" a Civic Crusade march in San Miguelito. During the resulting disturbances, Carlos Guzman was killed, presumably by progovernment forces, according to the opposition.

Ambassador Davis said Miller was held incommunicado by Panamanian authorities although Miller identified himself as a diplomat prior to his arrest.

Davis pointed out: "The U.S. Embassy always sends an observer to large-scale demonstrations. We have done this during both government and opposition demonstrations, to report to the State Department."

Asked about the future of Washington-Panama relations, Davis said: "I am fairly sure they will continue."

Local political circles interpreted his presence this afternoon at an activity of *La Prensa*—this newspaper and five other news media were closed 27 July—as a sign of support for the Civic Crusade, which demands the resignation of Panama Defense Forces Commander General Manuel Antonio Noriega, and "the country's return to democracy."

Furthermore, Panamanian Foreign Minister Jorge Abadia charged the Reagan administration with "distorting" the circumstances of Miller's arrest.

Abadia said: "Let someone explain what an economic adviser was doing in a demonstration to oppose a constitutional government." He added that his government "possesses sufficient evidence" to prove "we are" the ones who have been wounded and attacked.

Since a crisis erupted in this nation 3 months ago, the Panamanian Government has charged "sectors" of the Reagan administration with fostering "destabilization and rebellion." The Legislative Assembly asked President Delvalle to declare Ambassador Davis himself persona non grata.

Editorial on Miller

PA152330 Panama City CRITICA in Spanish 15 Sep 87 p 4

[Editorial: "David Miller, or the Physical Presence of Intervention"]

[Text] Panama and its constitutional government, elected by the majority and accredited before the United Nations and many other civilized organizations, has shown infinite patience regarding the arrogant attitude of foreign officials—to whom local laws, the elementary rules of diplomacy, and the respect for domestic political situations deny any right to participate in domestic events or demonstrations, inherent to the sovereignty and public liberties of the Panamanian people, liberties and sovereignty that the people fully exercise. The presence of U.S.diplomatic official David Miller, current U.S. Embassy commercial attache [economic counselor], at the act of provocation, incited by members of the Civil Crusade [name as published] and the Christian Democratic Party yesterday afternoon—in violation of a temporary order suspending political rallies, which the honorable San Miguelito District Municipal Council unanimously issued—constitutes one of those clumsy and premeditated acts of intervention by U.S. officials. These officials seem to behave in our countries like colonists bearing rifles or like the envoys of some emperor who does not respect God, the laws, or the

domestic development of the nations with which they maintains diplomatic relations or other sorts of relations. The presence of this official, Mr David Miller, followed by his arrest by the authorities who protect the honor, property, and primarily the lives of Panamanians and foreigners living here, is irrefutable proof that a foreign embassy, the U.S.Embassy, is allowing its officials to be where they should not be and when they should not be. What is worse, it allows these officials to do so when there is no legal justification for their physical presence in disturbances. Panama awaits a clear explanation for the presence of Mr [preceding word in English] Miller in yesterday's disturbances, which were stirred up by those who rejected a legal debate and legal elections in order to take a harsh and bloody shortcut. PANAMANIANS DEMAND THAT FOREIGNERS RESPECT OUR SOVEREIGNTY! [sentence published in uppercase]

PRD Condemns U.S. 'Intervention'

PA151602 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Sep 87 pp A1, C16

[Democratic Revolutionary Party (PRD) communique on U.S. 'intervention' in Panama, issued in Panama City on 14 September]

[Text] Whereas:

1. The intervention of U.S. reactionary sectors in Panama's internal affairs is apparent.

2. This has been proven once again with the shameless presence of a U.S. Embassy official, Mr David Miller, a commercial adviser [as published; Miller is the Economic Counselor], in the activities of 13 September in San Miguelito District where Panamanian Carlos Efrain Guzman Baules was killed in a regrettable act of violence.

3. That this intervention in Panama's internal affairs has become so cynical that these officials openly participate in caravans comprised of the so-called Civic Crusade groups, totally disregarding the basic rules of international law.

Resolved:

1. To strongly condemn the intervention by those reactionary U.S. sectors in Panama's internal political life.

2. To report once again that those desperate steps are aimed at destabilizing the Republic of Panama at all costs with the intention of dividing the nation, installing a puppet government to bypass the Torrijos-Carter treaties, destroying Panama's financial center, and eliminating Panama's presence in the Central American peace effort.

3. To alert all of our fellow party members and the Panamanian citizens to this new act of intervention, and activate a national movement to ensure respect for our fatherland's integrity.

4. To inform all the parties that comprise the Permanent Conference of Latin American Political Parties (COPPPAL), as well as all the parties on the American Continent, as well as those in Asia, Africa, and Europe that comprise the Socialist International—of which the PRD is a member—of our nation's struggle to preserve its national identity from the attacks of the reactionary U.S. sectors in question, and to request statements from them condemning this action.

[Signed] Romulo Escobar Bethancourt, president of the PRD

Carlos Ozores T., general secretary

Given in Panama City on 14 September 1987

PRD Leader Condemns 'Meddling'

PA150437 Panama City ACAN in Spanish 2208 GMT 14 Sep 87

[Text] Panama City, 14 Sep (ACAN-EFE)—According to the Panamanian ruling party, the creation of a government junta and the dissolution of the parliament—which were proposals presented by the Panamanian Christian Democratic Party [PDC] as a solution for the current crisis—are aimed at "subverting constitutional order."

Romulo Escobar Bethancourt, president of the Democratic Revolutionary Party (PRD), which represents the majority in the government coalition, told ACAN-EFE today that the plan presented by the PDC responds to the order of "reactionary" sectors in the U.S. Senate.

Escobar Bethancourt added that since the beginning of the current political crisis over 3 months ago, the PRD has been denouncing the "destabilization campaign" promoted by the PDC against the country.

PRD President Escobar said that the PDC plan aims at leading the opposition to power with the support of the United States so Panama—in exchange for the "favor"—will revise the Canal treaties.

Escobar added that with that action, the United States wants to "ridicule" the Panamanian Government by absolutely ignoring the 1977 treaty, which established that the United States will have to leave Panamanian territory on 31 December 1999.

Escobar stated that to reach that goal, the United States is trying to establish a "docile government" in Panama.

The PRD president said that the "campaign" against Panama is currently being denounced before the member-states of the Socialist International and the Standing Conference of Latin American Political Parties, of which Panama is a member.

Escobar Bethancourt explained that the detention of an official of the U.S. Embassy in Panama City at an antigovernment demonstration on Sunday near this capital proves the "shameless" meddling of that world power in Panama's internal affairs.

David Miller, economic counselor of the U.S. Embassy in Panama, was arrested on Sunday during a demonstration of the opposition "Civic Crusade." Miller remained incommunicado for 8 hours until his release today.

In a communique issued today, the PRD condemned U.S. "meddling" in Panama's internal affairs and stated that those actions aim at "destabilizing" the government, violate the Torrijos-Carter Treaties, destroy our international financial center, and "remove" Panama from the Central American peace efforts.

U.S. Generals, Officials Reportedly Meet

PA151828 Panama City Televisora Nacional in Spanish 1730 GMT 15 Sep 87

[Text] This morning, TV-2 reporters received information about a top-level military meeting under way at the U.S. Embassy in Panama. According to the report, which has not been confirmed yet, four active Army generals are holding a long meeting at the U.S. Embassy located on Balboa Avenue. These generals are holding this meeting in their role as commanders of units stationed in the Canal Area under the Southern Command's aegis.

TV-2 reporters have been unable to confirm if these military officers are meeting with Ambassador Arthur Davis, Councillor [title as heard] John Maisto, or third parties sent from Washington who probably entered Panama through Howard Air Force Base.

In any case, local political analysts are worried over what could be the analysis and the discussion of new forms and methods to meddle in Panama's internal affairs.

In recent weeks, national government spokesmen have been reporting, locally and internationally, the repeated and unacceptable attitudes of U.S. Embassy personnel who have been seen and arrested in acts and demonstrations of opposition groups.

Rights Group Denounces 'State terrorism'

PA151349 Panama City ACAN in Spanish 0208 GMT 15 Sep 87

[Text] Panama City, 14 Sep (ACAN-EFE)—The Panamanian Human Rights Committee denounced today "the serious state terrorism" that has emerged in this country with the creation of "paramilitary groups composed of units of the Panama Defense Forces [FDP] and of civilians very closely linked" to the Army.

During a news conference today, following the death of an opposition demonstrator who was shot in the head during an antigovernment march on Sunday, the committee accused the government of "intensifying the use of paramilitary groups to scare opposition symphatizers." The administration of justice in Panama is "at the service of those who are in power" and "allows the paramilitary elements to operate without control or punishment," the commitee noted.

The committee referred specifically to the attack by paramilitary bands on a peaceful demonstration Sunday. The committee has characterized this attack as "pitiless" and charged that as a result "one person has been confirmed killed, there is another as yet unconfirmed death, and 20 persons were wounded." The committee said that on 10 August there was a similar situation, when "a civic and peaceful march was attacked by some groups" that shot at opposition demonstrators, causing "one dead and many wounded."

The humanitarian organization expressed fears that a civil war might break out in Panama and aggravate the Central American situation, which could lead to "a world war."

The Human Rights Committee today sent a letter to Attorney General Carlos Villalaz asking him "to urgently investigate" Sunday's events and to order "the arrest of those responsible for the crimes."

The committee also states in the letter its concern over the appearance of these "official paramilitary groups," which could produce "a violent reaction." During the news conference many persons who witnessed Sunday's attack on the opposition marchers denounced the police connivance at the actions of "dozens of paramilitary elements, some of whom wore hoods" and shot at the demonstrators.

According to witnesses presented by the Human Rights Committee, FDP members who were only a few feet from the attackers did not intervene. The witnesses said some hooded people spoke with policemen "as if to receive instructions."

Catholic priest Fernando Guardia said the church had observers in the demonstration on a request from the Civic Crusade, the opposition coordinating group that organized the march. The priest said he will soon present a report on what happened during the march.

Esquivel, Abrams Hold 'Secret Meeting'

pa151547 Panama City CRITICA in Spanish 15 Sep 87 pp 1, 18

[Report by Carlos J. Nunez L.]

[Text] Panamanian Vice President Roderick Esquivel was seen leaving the office of Elliott Abrams, the U.S. assistant secretary of state for Inter-American affairs. *Critica* has learned that the visit was made clandestinely, to the extent that Esquivel tried to pass unnoticed, like just another official entering and leaving Abrams' office."

It has been learned that Panamanian President Eric Arturo Delvalle, who is currently in the United States for a medical checkup, was totally unaware of the secret meeting or appointment between Vice President Esquivel and Elliott Abrams. Esquivel had said in Panama that he was traveling to Canada to attend a Liberal International meeting. *Critica* consulted with top officials of President Delvalle's government, and no one—absolutely no one—knew about the mysterious Esquivel-Abrams meeting.

Legislators were even more surprised to learn about Esquivel's trip to Washington and his meeting with Elliott Abrams. "It has been a real surprise, and we officially disavow this type of meeting, which no one in the Assembly has authorized." *Critica* learned from U.S. sources that Vice President Esquivel would be returning to Panama last night or today, "but will first make other clandestine contacts." [The caption appearing below Esquivel picture accompanying article reads: "Seeks the presidency with gringo support].

CRITICA Criticizes U.S. Senate Resolution

PA140320 Panama City CRITICA in Spanish 11 Sep 87 pp 1, 25

[Unattributed article]

[Text] Washington (Urgent) 10 Sep—In another disrespectful resolution against Panama, the U.S. Senate is now demanding a coup d'etat of the constitutional president of Panama, Eric Arturo Delvalle, and the installation of a transitional government.

This resolution, known as S-1650, was introduced by Senator Alan Cranston, with the support of Senators Kennedy, Helms, Breaux, Inouye, and Dodd.

In an open example of blackmail, the law would eliminate Panama's sugar quota, and the quota would only be reestablished, according to the Senate resolution, if the Panamanian people implement the following:

1. The Panamanian Government shall demonstrate substantial progress in the effort to ensure civilian control of the Armed Forces, and the Defense Forces, FDP, and its leaders shall be removed from institutions and activities not pertaining to the military.

2. The Panamanian Government shall initiate an independent investigation of the charges against, and illegal actions by, FDP members.

3. A non-military transition government shall take power through a coup, and

4. Freedom of the press and all other constitutional rights shall be reinstated in Panama.

Diplomatic and political sectors in Washington are speculating on how long Panamanians will let senators meddle in the internal affairs of Panama. Senators like Edward Kennedy, who cowardly let his secretary drown at Chappaquidick; and the ultraconservative Jesse Helms, organizer of the Ku Klux Klan, who, with a racism he cannot conceal, has said "every Black should be a dead Black."

The aforementioned sectors have also questioned what kind of democracy these men practice, and what kind of democracy exists in that country where priests are imprisoned. A country that has a permanent racist policy, and where extreme poverty, alcoholism, and drugs prevail.

Why do they demand submissiveness from Latin America when U.S. society has the market and money to pay for drugs?

Another suspicious question is: Why do they want to demand Panamanian permission to remain in Panamanian territory? Will it be to continue selling drugs? Will it be to continue violating laws in Central America and to continue destroying mankind?

This corrupt Congress' hodgepodge will be the best support for the Panamanian people and their aspirations for the end of the gringo hegemony in Panama.

Abadia on U.S.-Sponsored 'Coup' Proposal

PA140321 Panama City LA REPUBLICA in Spanish 12 Sep 87 pp 1a, 8a

[Article by Garritt H. Geneteau D.]

[Text] Foreign Minister Jorge Abadia has pointed out that the U.S. Senate's decision to suspend Panama's sugar quota and the proposal to stage a coup d'etat against President Eric Arturo Delvalle, Panama's constitutional president, will not be obstacles for the Panamanian people to continue their struggle for full sovereignty in the year 2000 with dignity and firmness.

Abadia added: "We Panamanian Torrijists will resist all pressures from the U.S. Senate without deviating from our path to national liberation."

Civic Crusade Aware of 'Working Plan'

PA150130 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Sep 87 pp 1, E6

[Article by Edmundo Dante Dolphy C.]

[Text] The National Civic Crusade was aware of the existence of the document entitled "Working Plan for the National Civic Crusade," which it had previously denied knowledge of in a note sent to this newspaper.

Now, however, the Association of Doctors, Dentists and Related Professionals of the Social Security Institute (AMOACSS) has claimed responsibility for the document, which has undergone a few changes, claiming that their only objective is to guarantee attention to the most important needs of the national masses, such as health, education, housing, eployment, public works, etc.

According to Doctor Leopoldo Santamaria, a member of the AMOACSS national directorate and secretary general of the Azuero chapter, the plan, which will be open to discussion by all national sectors including the Civic Crusade, is aimed at correcting the current crisis' causes, which are rooted in the dominance of force over reason.

La Estrella De Panama was informed by very reliable sources that long before the work plan for the Civic Crusade was published in this newspaper, the organization's political committee knew of the document's existence. However, because of internal political, diplomatic,

and economic pressures, as well as pressure from the United States—our source said—the Crusade leaders were forced to deny the document's existence because of its serious nature.

The following is the complete text of the national plan presented by the AMOACSS to the Panamanian people, which the association supports and submits for national debate:

1. The national plan should be prepared by all members of Panamanian society.

2. Taking into account Panamanian policy since the middle of the last century, due consideration is given to certain aspects of the plan.

IN THE POLITICAL SECTOR

A. The state's administration must be entrusted to individuals who respond to the national interests of the majority of the population. These individuals should be chosen periodically through popular elections. The elections should be equitable; in other words, all candidates must have equal guarantees. The election results should be fully respected.

B. All state institutions must be rescued and reorganized to respond to the needs of the social sectors, not to meet the needs of the military as is currently happening.

C. A new political constitution, in keeping with the new democratic state, must be designed by the people, through their representatives with all due consultation.

D. Begin a demilitarization process of the entire state administration, and establish the military as a professional, non-decision-making organization subject to executive control. Military expenses must be drastically reduced and subject to the people's greatest needs.

E. Develop an international policy that is appropriate for a truly sovereign state. Improve relations with Latin America to ensure the consolidation of true integration.

F. Demand the permanent and effective neutrality of the Panama Canal.

G. Respect the principles of nonintervention and self-determination of peoples. Insist that the only solution to the Central American crisis is a political and negotiated, not military, one.

H. Develop a civil service for all state employees and establish maximum salaries for the bureaucracy in accordance with the development program.

IN THE ECONOMIC AND SOCIAL SECTORS

A. Develop an economic policy aimed at satisfying the people's basic needs. The main objective must be full and well-paid employment. The consumer and producer (industry, agriculture) must be protected. A dialogue and understanding is essential between private business and labor. Contraband must be abolished. The basic and genuine achievements of the workers must be respected, and small- and medium-sized businesses promoted.

B. The state budget must seek to fulfill basic needs (health, education, housing, transportation, public works, etc.).

C. Payment of the foreign debt must be based upon the national economic plan and not the other way around, which is currently happening.

D. We Panamanians must negotiate better sources of income based upon our geographic position, the income brought in by the canal, and the military bases.

E. Agrarian reform will be implemented to encourage agricultural production by the nation's peasant sector. An Indian policy will be developed, based upon respect for Indian organizational structures, to ensure their participation in the nation's economic and social development without undermining their culture.

F. An educational policy will be established that will promote the cultivation of the civic and moral values necessary for the creation of the new public.

This document, which the Civic Crusade was already aware of because the AMOACSS representatives in the Crusade had presented it to them for discussion, will soon be presented to the Crusade's political committee.

Government Demands Employees Return To Work

PA142150 Panama City MATUTINO in Spanish 14 Sep 87 p 4

[Text] Housing Minister Ricardo Bermudez said to *Matutino* that all the ministry's personnel must return today to work at the usual time, renewing their activities after a 13-day strike.

A Housing Ministry [MIVI] communique specifically states that whoever fails to fulfill his duty will be subject to the corresponding sanctions, as established by several articles in the penal code and the institution's internal regulations.

MIVI'S activities were suspended for 14 days [as published] because of a strike decreed by the Association of Housing Ministry Employees. The strike has caused sizeable losses and paralyzed all the construction and projects aimed at alleviating the housing shortage afflicting the poorest sectors throughout the country. It also has been impossible to have anyone answer emergency situations such as fires, floods, and collapsing old houses.

Furthermore, there is a possibility that approximately $30 million in international financial aid from the BID [IDB] and other credit agencies might be lost.

Union Leaders Demand Reopening of Media

PA142013 Panama City CRITICA in Spanish 14 Sep 87 p 22

[Article headlined "CONATO, National Council of Organized Workers, Calls for Meeting"]

[Text] The fifth National Meeting of Trade Union Leaders

1. As a result of the country's deep social crisis, the national government closed some communications media such as the newspapers *La Prensa*, *Extra*, and *El Siglo* and stations Radio Continente and Radio Mundial.

2. As always happens, these measures generally affect those who work in these communications media enterprises and not the owners, who have sufficient resources. The workers' wages are affected and in the end they might lose their jobs.

3. Regarding the free expression of thought, under Article 37 of the Constitution, no person can be subject to prior censorship. According to this provision, if there is an attack on the reputation or honor of an individual or against public order or social security in a notorious and proven manner, the legal measures adopted must be taken against those responsible for them and not against the workers who work in such media.

Resolved:

1. To immediately demand the reopening of the closed social communications media so the free expression of thought, which is a principle of natural law, can be enjoyed.

2. To demand that the social communications media be instruments of information, education, recreation, and scientific and cultural dissemination. Therefore, when they are used for advertisement or for the dissemination of propaganda and information, they must not act in a manner contrary to health, morals, education, the society's cultural upbringing, and the national conscience, as established in Article 85 of the Constitution.

Issued in Panama City in the First days of September 1987

Jose A. Parra, Coordinator

Panama

Miller May Be Declared Persona Non Grata

PA160215 Paris AFP in Spanish 2301 GMT 15 Sep 87

[Text] Panama City, 15 Sep (AFP)—THE U.S. Government today protested to the Panamanian Government over the arrest on Sunday of David Miller, the U.S. Embassy's economic adviser, by which "international diplomatic law has been violated."

In addition, U.S. Ambassador Arthur Davis, who this afternoon visited an event staged by employees and reporters of the newspaper *La Prensa*, which has been closed by the government, said Washington "wants to see some political changes" in Panama. Davis, however, declined to make any further comments.

Panamanian Foreign Minister Jorge Abadia said Erick Arturo Delvalle's government could declare Miller persona non grata, which would force Miller to leave the country.

Ambassador Davis said that diplomatic relations between the two governments "are at their lowest" as the result of Miller's "unjustified arrest for 8 hours."

Miller was arrested when he attended "as an observer" a Civic Crusade march in San Miguelito. During the resulting disturbances, Carlos Guzman was killed, presumably by progovernment forces, according to the opposition.

Ambassador Davis said Miller was held incommunicado by Panamanian authorities although Miller identified himself as a diplomat prior to his arrest.

Davis pointed out: "The U.S. Embassy always sends an observer to large-scale demonstrations. We have done this during both government and opposition demonstrations, to report to the State Department."

Asked about the future of Washington-Panama relations, Davis said: "I am fairly sure they will continue."

Local political circles interpreted his presence this afternoon at an activity of *La Prensa*—this newspaper and five other news media were closed 27 July—as a sign of support for the Civic Crusade, which demands the resignation of Panama Defense Forces Commander General Manuel Antonio Noriega, and "the country's return to democracy."

Furthermore, Panamanian Foreign Minister Jorge Abadia charged the Reagan administration with "distorting" the circumstances of Miller's arrest.

Abadia said: "Let someone explain what an economic adviser was doing in a demonstration to oppose a constitutional government." He added that his government "possesses sufficient evidence" to prove "we are" the ones who have been wounded and attacked.

Since a crisis erupted in this nation 3 months ago, the Panamanian Government has charged "sectors" of the Reagan administration with fostering "destabilization and rebellion." The Legislative Assembly asked President Delvalle to declare Ambassador Davis himself persona non grata.

Editorial on Miller

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pa151547 Panama City CRITICA in Spanish 15 Sep 87 pp 1, 18

[Report by Carlos J. Nunez L.]

[Text] Panamanian Vice President Roderick Esquivel was seen leaving the office of Elliott Abrams, the U.S. assistant secretary of state for Inter-American affairs. *Critica* has learned that the visit was made clandestinely, to the extent that Esquivel tried to pass unnoticed, like just another official entering and leaving Abrams' office."

It has been learned that Panamanian President Eric Arturo Delvalle, who is currently in the United States for a medical checkup, was totally unaware of the secret meeting or appointment between Vice President Esquivel and Elliott Abrams. Esquivel had said in Panama that he was traveling to Canada to attend a Liberal International meeting. *Critica* consulted with top officials of President Delvalle's government, and no one—absolutely no one—knew about the mysterious Esquivel-Abrams meeting.

Legislators were even more surprised to learn about Esquivel's trip to Washington and his meeting with Elliott Abrams. "It has been a real surprise, and we officially disavow this type of meeting, which no one in the Assembly has authorized." *Critica* learned from U.S. sources that Vice President Esquivel would be returning to Panama last night or today, "but will first make other clandestine contacts." [The caption appearing below Esquivel picture accompanying article reads: "Seeks the presidency with gringo support].

CRITICA Criticizes U.S. Senate Resolution
PA140320 Panama City CRITICA in Spanish 11 Sep 87 pp 1, 25

[Unattributed article]

[Text] Washington (Urgent) 10 Sep—In another disrespectful resolution against Panama, the U.S. Senate is now demanding a coup d'etat of the constitutional president of Panama, Eric Arturo Delvalle, and the installation of a transitional government.

This resolution, known as S-1650, was introduced by Senator Alan Cranston, with the support of Senators Kennedy, Helms, Breaux, Inouye, and Dodd.

In an open example of blackmail, the law would eliminate Panama's sugar quota, and the quota would only be reestablished, according to the Senate resolution, if the Panamanian people implement the following:

1. The Panamanian Government shall demonstrate substantial progress in the effort to ensure civilian control of the Armed Forces, and the Defense Forces, FDP, and its leaders shall be removed from institutions and activities not pertaining to the military.

2. The Panamanian Government shall initiate an independent investigation of the charges against, and illegal actions by, FDP members.

3. A non-military transition government shall take power through a coup, and

4. Freedom of the press and all other constitutional rights shall be reinstated in Panama.

Diplomatic and political sectors in Washington are speculating on how long Panamanians will let senators meddle in the internal affairs of Panama. Senators like Edward Kennedy, who cowardly let his secretary drown at Chappaquidick; and the ultraconservative Jesse Helms, organizer of the Ku Klux Klan, who, with a racism he cannot conceal, has said "every Black should be a dead Black."

The aforementioned sectors have also questioned what kind of democracy these men practice, and what kind of democracy exists in that country where priests are imprisoned. A country that has a permanent racist policy, and where extreme poverty, alcoholism, and drugs prevail.

Why do they demand submissiveness from Latin America when U.S. society has the market and money to pay for drugs?

Another suspicious question is: Why do they want to demand Panamanian permission to remain in Panamanian territory? Will it be to continue selling drugs? Will it be to continue violating laws in Central America and to continue destroying mankind?

This corrupt Congress' hodgepodge will be the best support for the Panamanian people and their aspirations for the end of the gringo hegemony in Panama.

Abadia on U.S.-Sponsored 'Coup' Proposal
PA140321 Panama City LA REPUBLICA in Spanish 12 Sep 87 pp 1a, 8a

[Article by Garritt H. Geneteau D.]

[Text] Foreign Minister Jorge Abadia has pointed out that the U.S. Senate's decision to suspend Panama's sugar quota and the proposal to stage a coup d'etat against President Eric Arturo Delvalle, Panama's constitutional president, will not be obstacles for the Panamanian people to continue their struggle for full sovereignty in the year 2000 with dignity and firmness.

Abadia added: "We Panamanian Torrijists will resist all pressures from the U.S. Senate without deviating from our path to national liberation."

Civic Crusade Aware of 'Working Plan'
PA150130 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Sep 87 pp 1, E6

[Article by Edmundo Dante Dolphy C.]

[Text] The National Civic Crusade was aware of the existence of the document entitled "Working Plan for the National Civic Crusade," which it had previously

denied knowledge of in a note sent to this newspaper.

Now, however, the Association of Doctors, Dentists and Related Professionals of the Social Security Institute (AMOACSS) has claimed responsibility for the document, which has undergone a few changes, claiming that their only objective is to guarantee attention to the most important needs of the national masses, such as health, education, housing, eployment, public works, etc.

According to Doctor Leopoldo Santamaria, a member of the AMOACSS national directorate and secretary general of the Azuero chapter, the plan, which will be open to discussion by all national sectors including the Civic Crusade, is aimed at correcting the current crisis' causes, which are rooted in the dominance of force over reason.

La Estrella De Panama was informed by very reliable sources that long before the work plan for the Civic Crusade was published in this newspaper, the organization's political committee knew of the document's existence. However, because of internal political, diplomatic, and economic pressures, as well as pressure from the United States—our source said—the Crusade leaders were forced to deny the document's existence because of its serious nature.

The following is the complete text of the national plan presented by the AMOACSS to the Panamanian people, which the association supports and submits for national debate:

1. The national plan should be prepared by all members of Panamanian society.

2. Taking into account Panamanian policy since the middle of the last century, due consideration is given to certain aspects of the plan.

IN THE POLITICAL SECTOR

A. The state's administration must be entrusted to individuals who respond to the national interests of the majority of the population. These individuals should be chosen periodically through popular elections. The elections should be equitable; in other words, all candidates must have equal guarantees. The election results should be fully respected.

B. All state institutions must be rescued and reorganized to respond to the needs of the social sectors, not to meet the needs of the military as is currently happening.

C. A new political constitution, in keeping with the new democratic state, must be designed by the people, through their representatives with all due consultation.

D. Begin a demilitarization process of the entire state administration, and establish the military as a professional, non-decision-making organization subject to executive control. Military expenses must be drastically reduced and subject to the people's greatest needs.

E. Develop an international policy that is appropriate for a truly sovereign state. Improve relations with Latin America to ensure the consolidation of true integration.

F. Demand the permanent and effective neutrality of the Panama Canal.

G. Respect the principles of nonintervention and self-determination of peoples. Insist that the only solution to the Central American crisis is a political and negotiated, not military, one.

H. Develop a civil service for all state employees and establish maximum salaries for the bureaucracy in accordance with the development program.

IN THE ECONOMIC AND SOCIAL SECTORS

A. Develop an economic policy aimed at satisfying the people's basic needs. The main objective must be full and well-paid employment. The consumer and producer (industry, agriculture) must be protected. A dialogue and understanding is essential between private business and labor. Contraband must be abolished. The basic and genuine achievements of the workers must be respected, and small- and medium-sized businesses promoted.

B. The state budget must seek to fulfill basic needs (health, education, housing, transportation, public works, etc.).

C. Payment of the foreign debt must be based upon the national economic plan and not the other way around, which is currently happening.

D. We Panamanians must negotiate better sources of income based upon our geographic position, the income brought in by the canal, and the military bases.

E. Agrarian reform will be implemented to encourage agricultural production by the nation's peasant sector. An Indian policy will be developed, based upon respect for Indian organizational structures, to ensure their participation in the nation's economic and social development without undermining their culture.

F. An educational policy will be established that will promote the cultivation of the civic and moral values necessary for the creation of the new public.

This document, which the Civic Crusade was already aware of because the AMOACSS representatives in the Crusade had presented it to them for discussion, will soon be presented to the Crusade's political committee.

Government Demands Employees Return To Work
PA142150 Panama City MATUTINO in Spanish 14 Sep 87 p 4

[Text] Housing Minister Ricardo Bermudez said to *Matutino* that all the ministry's personnel must return today to work at the usual time, renewing their activities after a 13-day strike.

A Housing Ministry [MIVI] communique specifically states that whoever fails to fulfill his duty will be subject to the corresponding sanctions, as established by several articles in the penal code and the institution's internal regulations.

MIVI'S activities were suspended for 14 days [as published] because of a strike decreed by the Association of Housing Ministry Employees. The strike has caused sizeable losses and paralyzed all the construction and projects aimed at alleviating the housing shortage afflicting the poorest sectors throughout the country. It also has been impossible to have anyone answer emergency situations such as fires, floods, and collapsing old houses.

Furthermore, there is a possibility that approximately $30 million in international financial aid from the BID [IDB] and other credit agencies might be lost.

Union Leaders Demand Reopening of Media
PA142013 Panama City CRITICA in Spanish 14 Sep 87 p 22

[Article headlined "CONATO, National Council of Organized Workers, Calls for Meeting"]

[Text] The fifth National Meeting of Trade Union Leaders

1. As a result of the country's deep social crisis, the national government closed some communications media such as the newspapers *La Prensa*, *Extra*, and *El Siglo* and stations Radio Continente and Radio Mundial.

2. As always happens, these measures generally affect those who work in these communications media enterprises and not the owners, who have sufficient resources. The workers' wages are affected and in the end they might lose their jobs.

3. Regarding the free expression of thought, under Article 37 of the Constitution, no person can be subject to prior censorship. According to this provision, if there is an attack on the reputation or honor of an individual or against public order or social security in a notorious and proven manner, the legal measures adopted must be taken against those responsible for them and not against the workers who work in such media.

Resolved:

1. To immediately demand the reopening of the closed social communications media so the free expression of thought, which is a principle of natural law, can be enjoyed.

2. To demand that the social communications media be instruments of information, education, recreation, and scientific and cultural dissemination. Therefore, when they are used for advertisement or for the dissemination of propaganda and information, they must not act in a manner contrary to health, morals, education, the society's cultural upbringing, and the national conscience, as established in Article 85 of the Constitution.

Issued in Panama City in the First days of September 1987

Jose A. Parra, Coordinator

ARGENTINA

Minister Troccoli Tenders Resignation

PY152225 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2144 GMT 15 Sep 87

[Text] Buenos Aires, 15 Sep (NA)—This afternoon Interior Minister Antonio Troccoli tendered his resignation to President Raul Alfonsin. In his resignation note, Troccoli states that during these 4 years in office "I have tried to use my experience and my dedicated service to promote the program you have led since 10 December 1983."

The text of Troccoli's resignation note was released shortly before 1900 tonight at Government House.

Public Health Minister Storani Resigns

PY160317 Buenos Aires Domestic Service in Spanish 0200 GMT 16 Sep 87

[Report from Government House by Reporter Marta Lopez]

[Excerpt] [passage omitted] Public Health and Social Action Minister Conrado Storani submitted his resignation to the president this morning. This means that the resignations of Interior Minister Antonio Troccoli, Public Health and Social Action Minister Conrado Storani, Labor Minister Carlos Alderete, and Education and Justice Minister Julio Rajneri have been confirmed.

Public Works Minister Pedro Trucco's resignation has not yet been confirmed officially, but it is known that the president intends to replace him. [passage omitted]

Ideler Tonelli Appointed Labor Minister

PY160344 Buenos Aires DYN in Spanish 0304 GMT 16 Sep 87

[Excerpt] Buenos Aires, 15 Sep (DYN)—Ideler Tonelli, current secretary of justice, tonight agreed to become minister of labor and social security. With his appointment the reorganization of the national government has been defined and will be officially announced tomorrow according to government officials.

Tonelli's appointment was decided upon late tonight after Melchor Posse, mayor of San Isidro, was considered and rejected for the position, and after President Alfonsin failed to persuade Osvaldo Alvarez Guerrero and Juan Manuel Casella to head that difficult ministry.

This was the last hurdle in completing the new cabinet after the following appointments were virtually confirmed: Enrique Nosiglia, interior minister; Ricardo Barrios Arrechea, health and social action minister; Rodolfo Terragno, public works and services minister; and Jorge Sabato, education and justice minister.

Presidential spokesman Jose Ignacio Lopez said the new ministers might be sworn in tomorrow. It was also learned that the message President Raul Alfonsin had planned to deliver to the country tomorrow might be postponed until Friday. [passage omitted]

Uruguayan President Arrives on 2-Day Visit

PY141323 Buenos Aires TELAM in Spanish 1258 GMT 14 Sep 87

[Text] Buenos Aires, 14 Sep (TELAM)—The plane carrying Uruguayan President Julio Sanguinetti arrived at the Metropolitan Airport just after 1000. President Sanguinetti is here on a 2-day visit.

Sanguinetti was met by President Alfonsin and by members of his cabinet.

Confers With Alfonsin

PY152210 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1112 GMT 15 Sep 87

[Text] Buenos Aires, 15 Sep (NA)—Uruguayan President Julio Maria Sanguinetti has called for joint efforts between Uruguay and Argentina in order "to seek closer relations with our Brazilian brothers," and thus create "a dynamic region for Latin American integration."

Sanguinetti will meet again with President Raul Alfonsin this morning on the 2d day of his visit to Buenos Aires. He also delivered a speech at the National Congress.

In his speech Sanguinetti said: "Democracy and integration are the base of our common project." He emphasized that "political democracy is closely linked to social justice."

Sanguinetti added: "Our political project is peace, which means mutual respect among ourselves" at the international and the domestic level. This is necessary "to build a more just society."

Sanguinetti delivered the speech yesterday during a joint session to about 100 deputies and senators, who applauded him on 3 occasions and then stood to applaude him again at the conclusion of his impromptu 25-minute speech.

Sanguinetti emphasized that integration is necessary at the domestic level because "a government cannot be stable without a stable society." He said: In order to have stability "it is necessary for workers to have access to culture, art, science, and comfort, so they can become integrated and feel like real citizens."

Also present during Sanguinetti's speech were Defense Minister Horacio Jaunarena, Health Minister Conrado Storani, Presidential Secretary Carlos Becerra, Education Secretary Adolfo Stubrin, and other officials.

Minister Caputo Suspends Trip to Spain

PY151545 Buenos Aires TELAM in Spanish 1418 GMT 15 Sep 87

[Text] Buenos Aires, 15 Sep (TELAM)—The Foreign Ministry has officially announced that Foreign Minister Dante Caputo has suspended his trip to Madrid after speaking over the telephone with Francisco Fernandez-Ordonez, his Spanish colleague.

Caputo planned to visit Spain on 17 and 18 September, at the special invitation of his Spanish colleague. He was to have met with Felipe Gonzalez, the Spanish chief of state.

Vice President Returns From CSSR
PY151442 Buenos Aires TELAM in Spanish 1232 GMT 15 Sep 87

[Text] Buenos Aires, 15 Sep (TELAM)—Vice President Victor Hipolito Martinez returned this morning to the country after completing an official visit to Czechoslovakia.

The Aerolineas Argentinas plane carrying the vice president landed at 0855 at Ezeiza Airport. Upon arrival, Martinez was met by Czechoslovak Embassy officials in Buenos Aires and Senate authorities.

Before Martinez' arrival, Senate Press Officer Pedro Lopez told journalists that Martinez would not be meeting with them. He indicated that Martinez would meet with President Raul Alfonsin within the next few hours.

The vehicles sent for the vice president went directly to the plane and then took him directly to the Federal Capital.

Chilean Envoy Protests Damage to Embassy
PY160036 Santiago Domestic Service in Spanish 2300 GMT 15 Sep 87

[Text] Chilean Ambassador to Argentina Sergio Gaete today lodged a protest with Alberto Ferrari, Argentine Latin American affairs under secretary over the incidents that occurred last Friday near the Chilean Embassy, which suffered substantial damage.

Reports datelined Buenos Aires stated that during the incidents, Chilean exiles, supported by left-wing groups, clashed with police near the Embassy; 4 people were injured and 32 were arrested.

Chilean diplomatic sources stated that the demonstrators threw bags filled with paint, broke 12 windows, and painted slogans on the walls.

Chile also emphasizes that during the protest, the Argentine Government did not abide by international law, which establishes protection for personal belongings and the property of foreign missions.

Sourrouille Says Foreign Debt Policy Unchanged
PY160257 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0054 GMT 16 Sep 87

[Text] Buenos Aires, 15 Sep (NA)—During a meeting with business leaders of the so-called "Group of Eight" today, Economy Minister Juan Sourrouille ratified the government's economic policy and reported that consideration is being given to "the interest on the foreign debt," although there are not yet any "final solutions" to the issue.

During the meeting, which lasted almost 3 hours, Sourrouille told business leaders that "there will be no specific changes" in connection with the foreign debt policy. This was revealed by Guillermo Alchouron, Argentine Rural Society (SRA) president, who acted as spokesman for the group.

The minister stressed that "negotiations will continue on the basis of what has already been agreed upon," adding that "consideration is being given to interest on the debt. No decisions have been made so far, and the final solutions are not yet known. Particular emphasis, however, has been placed on the need for a thorough solution that should be healthy for Argentine interests."

The minister was obviously alluding to the recently concluded renegotiation for the repayment of principal, which was postponed until 1999, and the payment of a smaller amount of interest—the interest on the so-called "old debt"—which amounts to about $28 billion.

Asked if the minister told them whether some measures would be enforced to adjust the economy, Alchouron said: "We did not talk about any measures."

Concerning the issues discussed during the meeting, which Alchouron termed "lengthy," the business leader said the issues "dealt mainly with the need to approve some very important laws, like the privatization law, which Congress is analyzing, and for the implementation of the economic and state reform plan, which was announced" in July 1987.

Concerning the labor laws, Alchouron said: "We upheld the viewpoint with which everyone is familiar," that is, we objected to some points of the projects, like the number of labor delegates per company, among others.

Alchouron added that "the income policy" for wage-earners "was not mentioned" during the meeting. This indicates that the decree calling for the creation of a tripartite government-business-labor commission to study the matter is still valid.

In conclusion, Alchouron reiterated that "the economic situation was analyzed in general terms," during a meeting which the sector requested of the minister in order "to learn his position on the current economic policy."

"The minister specifically reiterated what he said in his latest speech on 20 July, which undoubtedly means the ratification of the economic policy," he added.

The meeting was also attended by Eduardo Zavalia, SRA vice president; Eduardo de la Fuente, Argentine Industrial Union leader; Roque Maccarone, Argentine Bank Association leader; Julio Gomez, of the Association of Banks of the Argentine Republic; Juan Bautista Pena, of the Buenos Aires Stock Exchange; Carlos Rojas, Argentine Construction Chamber representative; Roberto Sanmartino, Argentine Construction Union representative; and Ovidio Bolo, Chamber of Commerce representative.

The so-called "group of eight" comprises eight companies of the productive, commercial, and service sectors, which are believed to be most representative of the country.

Today's meeting is the first that Sourrouille has granted to the private sector, after the 6 September elections and after he was confirmed as economy minister.

Sourrouille was the only government official at the meeting. Contrary to normal practice, he was not accompanied this time by his closest advisers.

No official information was released on the matters discussed during the meeting. Alchouron's comments comprise the only information available.

CGT Criticizes Sourrouille on Economic Plan

PY152143 Buenos Aires BUENOS AIRES HERALD in English 15 Sep 87 p 15

[Excerpt] (NA-DYN)—The General Confederation of Labour (CGT) yesterday rejected the government's ratification of Juan Sourrouille as Economy Minister, charging that the continuation of the economic plan "shows the government's failure to answer the popular pronouncement" in recent polls, and demanded an immediate general wage increase.

In their first meeting after the elections, CGT leaders also decided to visit the Senate tomorrow in order to ask legislators to sanction the package of labour bills.

The umbrella labour grouping demanded "respect, realism and efficiency in solving Argentina's social problems, which keep worsening while the country is paralyzed." [passage omitted]

Caridi Bans Video Vindicating Military

PY152145 Buenos Aires BUENOS AIRES HERALD in English 15 Sep 87 p 15

[Text] (NA)—Army Chief-of-Staff Jose Caridi yesterday ordered the seizure of a videotape produced by military officers which vindicates the military uprising during Easter Week.

Caridi also banned the broadcasting of the so-called Operativo Dignidad film in Army units.

The Army chief-of-staff had earlier praised the performance of the First Patricios Regiment in the fight against subversion and the Malvinas War, paying homage to the "heroic tradition" of that unity, which was created on September 15, 1806.

Tucuman Police Personnel Conflict Resolved

PY160042 Buenos Aires TELAM in Spansih 2041 GMT 15 Sep 87

[Text] San Miguel de Tucuman, 15 Sep (TELAM)—The police conflict, which began here a week ago and included a violent protest in front of the provincial legislative house, ended today when policemen abandoned their headquarters and accepted payment in provincial bonds for the salary increases owed them.

Payment began at 1550. The policemen abandoned their headquarters building, where they had confined themselves, as soon as they began receiving the bonds issued by the provincial government as payment for their salary increases.

Chile

Pinochet: State of Nation Address

PY112157 Santiago Television Nacional de Chile Network in Spanish 1609 GMT 11 Sep 87

[State of the Nation address by President Augusto Pinochet Ugarte on the 14th anniversary of the 1973 coup d'etat, from the Diego Portales building in Santiago—live]

[Excertps] Madame honorary chairperson of the National Women's Charity Association; honorable members of the Government Junta and their distinguished wives; honorable chief justice of the Supreme Court and honorable members of the Supreme Court; your excellency, deputy dean of the diplomatic corps; your excellencies, ambassadors and chiefs of diplomatic delegations and international organizations; messrs members of the Cabinet; the attorney general; messrs members of the Council of State; messrs members of the justice courts; messrs members of the constitutional court; messrs generals, admirals; messr general director of the investigation police; messr chairman of the Santiago Appellate Court and of the Pedro Aguirre Cerda Department; messr intendant of the metropolitan region; messr mayor of the Santiago municipality and other metropolitan region districts; messrs military, civilian, and church, authorities; ladies and gentlemen:

On the occasion of reporting to the nation about the political and administrative situation of the country on 11 September 1987, I hereby wish to pay a sincere tribute to all those members of the Armed Forces and forces of order who have struggled in defense of the highest values of the fatherland, many of whom have given their lives for this noble Chilean cause. [applause]

Today, 14 years after we changed the historic course of the nation, we can truly appreciate the sacrifice the Armed Forces' members and their families made to change the destiny of the fatherland.

The liberty and development we are enjoying today have obliterated long years of political struggles which only led to backwardness, dispair, and unfulfilled promises. To understand what happened and to avoid its future repetition we must study our fatherland's political history. Only through the perspective of time we will be able to understand the circumstances that led to the failure of the old Chilean system and to the establishment of a new regime.

The deep significance of the military intervention carried out on 11 September 1973 is that it was carried out with the purpose of making changes with a specific objective in mind. The intervention resulted in the establishment of a new political, social, and economic institutionality in the country. In view of this, it is imperative to be aware of this significance to truly understand the government's achievements, the deep and important transformations it has carried out at all levels, and its categorical determination to project its work to future generations.

From the very beginning, the military government has shown a resolute intention to establish a social order based on liberty, justice, and development with the ultimate objective of correcting old political vices and practices that led Chile to confront extreme situations.

It is essential to understand that the installation of the government that followed the Marxist regime was not the only cause that led to the overthrow of the old democracy. The schisms that precluded that regime's destruction were quite self-evident before 1973, and they gradually deepened until the entire system succumbed. This is why we should not forget those directly responsible for the crisis: the politicians whose demagogic practices, compromises, and agreements conceived democracy merely as a competitive struggle aimed at obtaining the people's vote. Their only concern was winning elections while they ignored the responsibility they had to the people upon assuming their posts.

This is why they resorted to the use of easy slogans, political cliches, demagogic practices, audacity, and lies. This only resulted in the winning of the most unscrupulous politicians because they were the only ones who always offered more.

This explains how a Marxist minority achieved power with the objective of installing a proletariat dictatorship. That dictatorship violated both the letter and spirit of the Constitution and unleashed the bankruptcy and exhaustion of an entire system which had previously lavished on Chile its best efforts.

Once in power, the Marxist minority destroyed the essence of our national values. Those who do not understand this will never be able to understand the sense of what happened on 11 September 1973. History will judge those who helped communism achieve power as well as those who, because of ulterior motives, either did not want or did not know how to defend the Republic.

It is with the intention of overcoming this crisis that, from the very beginning and throughout the past few years, the military government has been devoted to establishing a new democracy that seeks to eradicate past vices. This is how we have established a new, modern, renewed, and strong institutional system which seeks to correct old political vices in an intelligent, efficient, and imaginative manner.

The same old politicians, who lack the people's support, are realizing that they are losing ground to this new institutional system.

The government that assumed power on 11 September 1973, in keeping with the sovereign demand of the Chilean people, did not limit its actions merely in the political field or to overcoming a temporary conflict between political leaderships. The Armed Forces and the forces or order were aware from the very beginning that the task to renew the nation that had to be undertaken encompassed the political, economic, and social systems. This is why they decisively launched themselves along the path we have been walking for the past few years. It is in keeping with this plan that in a first phase we started to completely reconstruct the state. Today, the pledge that the Armed Forces and forces of order made in 1973 is being fulfilled.

The task of renewing the institutions, which began on 11 September, has been undertaken with efficiency and willingness, despite the misunderstandings which have both material and spiritual effect, and despite the obstacles raised by some sectors that claim to be democratic. We have overcome the world economic crisis with which all of us are familiar. The threats to our internal and external security have been neutralized. The criminal blackmail of terrorism was halted.

Chile and its government have always been able to succeed thanks to the support, the work, and understanding of its people; thanks to the monolithic unity of national defense institutions and to the strong civic-military integration.

Today, Chile is a country that has overcome chaos; and despite the undermining action of extremism, it is a country that is functioning in an orderly manner in all national sectors. Therefore, today, at a time in which we are facing a decisive stage in our institutional process, we shall continue to go forward with full determination and without any fears. [applause].

Fellow countrymen:

The 1980 Constitution, which will be fully in force in the near future, is clear evidence of the national reorganization process that is being carried out within the framework of true political stability. During this stage, we have been devoted to the drafting and issuance of all complementary legislation to the Constitution; to the definitive consolidation of the seven important modernizations that have renewed the nation; to the effective strengthening of basic democratic principles; and to the projection of the work that will lead Chile into the new century which is on the horizon.

We have already approved important complementary legislation to the Constitution, such as the Political Parties' Law. Seven political parties have already complied with the first requirement established in the law and in doing so they have been granted the status of

political parties in initial stages of formation. Within the legal deadlines, these parties must collect the required number of signatures to have a legislator elected for each region. However, it must be noted that while these political parties are in the initial stages of formation, the law allows them to have access to all forms of publicity to disseminate their principles and programs.

The different meetings that the interior minister has held with the leaders of these political parties, whatever their position may be, is clear evidence of the government's willingness to hear the opinions of those sectors that recognize the prevailing legal system.

Closely linked to the Political Parties Law is the system of registration on voting lists. This encompasses the issuance of organizational constitutional laws centering on the registration in voting lists; electoral services and regional electoral courts. At present, the registration on voting lists is in full process throughout the country. Therefore, all those citizens, who wish to exercise their will in the upcoming plebiscite and in future legislative elections, will be registered in these voting lists.

The main objective is to have the majority of Chileans participating in the upcoming plebiscite which will thus become a true expression of the people's will.

All Chileans of voting age must fulfill their duty of registering in voting lists. Those who do not are not complying with an important duty.

Among those laws in force, we must note the Constitutional Court Organic Law which regulates exceptional powers; the law which regulates the electoral board; the law on which public administration is based; and the law on regional development processes.

Moreover, the law regulating Article 8 of the Constitution, which is a basic law to achieve democratic stability, is presently under legislative proceedings. This bill encompasses those necessary regulations to properly implement the enforcement of the democratic system established in the Constitution. In view of this constitutional mandate, the government will do its utmost to prevent organizations, movements, or political parties that have been declared unconstitutional by the Constitutional Court from carrying out activities that violate a law which precisely seeks to safeguard national coexistence.

I must also state that the regulations established by Article 8 of the Constitution exclusively refer to specific activities but not to the repression of ideas. It seeks to avoid totalitarian and violent sectors from using the laws in force to their advantage to destroy a democratic system as happened before.

The legislative branch is presently studying the following constitutional laws: the Municipalities Law; the Education Law; the Law on the Administration, Powers, and Organization of the attorney general's office; and the Law on Ballot Scrutiny and Voting. In addition, it is studying the laws perfecting the constitutional laws on voting registration, electoral services, and the establishment of electoral building offices.

Today, I can also announce that I have submitted to the legislative branch the draft bill establishing a national congress according to the Constitution. Among other things, the bill establishes that the Congress will be headquartered in Valparaiso; I also submitted a bill establishing the national television and radio council. [passage omitted]

Fellow Chileans:

What has been said clearly shows that the government is faithfully complying with the path that has been set by the Constitution. The laws I have mentioned fully show this.

I have already said that the government's work is projected to the future and that it encompasses a modernization of the entire nation.

Moreover, with the same efficiency and decisiveness, we are advancing with the consolidation of the seven basic modernizations to guarantee the full operation of a political, social, and economic system that is completely free. The government relies on the support and talent of a great majority of Chileans, who do not want to return to the past, to fulfill these achievements.

The country has witnessed the attitude of some sectors which have forgotten or ignored the past crisis. These sectors aspire to relive past periods which have been long and definitely overcome.

Certain political groups, which are very-well identified by Chileans for their past naivete and because their names have again acquired publicity, insist on their utopian approaches. Paradoxically these groups proclaim freedom as their banner of struggle while at the same time they promote a socialist and statist economic program based on the denial of freedom.

These politicians speak of reviving agrarian reform, of reviving revolutions with freedom, of making changes for the sake of change; and of establishing a single national educational system. Haven't these gentlemen understood anything of what we have experienced in our fatherland? How long do they think they will be able to deceive the people? [interrupted by applause]

Chile learned about their socialist project and it experienced a resounding failure submerging the country into chaos and injustice. [applause]

Now that the country is categorically advancing to the consolidation of democracy, we witness that those groups practicing the defunct habits of promoting schisms and demagoguery are still prevalent in the opposition. These groups refuse to acknowledge the

works that have been carried out in the past few years, and the institutional system that was approved by the majority of Chileans in 1980.

Moreover, while some political parties that uphold a clear democratic position aimed at modernizing the country are being organized in the country, there is also a group of political leaders who are unable to achieve a minimum understanding on basic principles. In view of this, today more than ever, the government is determined to assume the duty and the right before the entire nation of being a valid, responsible, calm, and solid political alternative. [applause]

The country is well-aware of the government's political project and also of the opposition's lack of a political project. But even more serious are the pacts and alliances which, at different levels, groups calling themselves the democratic opposition, have concluded with the communists, which promote violence and totalitarianism and, therefore, are the true enemies of democracy. This latter group and their usual allies have established a coalition called the United Left with the obvious intention of bringing back to life the Popular Unity [coalition in power during the Salvador Allende regime]. This front has openly stated its choice of an armed confrontation. After failing in their strategy of strikes and protest demonstrations, they intend to unleash a large-scale terrorist action in their effort to reach a solitary objective, without regard for the lives and suffering of their victims. You cannot be too careful if you want to stop them. A tough hand is necessary, the toughest possible hand. [applause]

Terrorism at the international level seeks but one thing, although its tactics may vary, its objective is only one thing: to wreck our Christian and Western way of life and thus dominate the world.

In Chile, the terrorist campaign is within the framework of a political strategy that entails great costs to conduct. Its objective is to destabilize the government so that Chile will definitely fall under Soviet domination which aspires to expand itself throughout the entire Pacific Ocean region.

All of us have witnessed the unprecedented levels of this campaign which has always been confronted by the integrity of this strong and young country. [applause]

There are those who mistakenly think that terrorism and guerrilla warfare develop under certain kinds of government systems. It is at this point that I would like to discuss the international situation and particularly on the situation in Latin America.

Except for Soviet bloc countries, terrorist actions have been unleashed against all governments, irrespective of their characteristics or style. These governments and their legislative systems have made great efforts to protect their people. But nevertheless, the terrorist scourge, promoted and financed by Soviet power, continues. This is why it is not enough for the world to confront the scourge. All citizens must cooperate with the authorities and categorically and decisively confront this cowardly crime by denouncing those who are connected with these criminals who act against humanity.

Chilean citizens can rely on the strength of this government and on its decisiveness to adopt any necessary measures to safeguard peace in Chile. The government is categorically inflexible in this regard. [applause] Chile has had to confront a very fierce disinformation campaign, costing over $200 million annually, according to reports by Mr. (Hans Poyuil). Never before has such an aggression and campaign of lies been focused at any other country. As a result of this campaign, the Soviets, the greatest enemies of freedom and human rights—who also promote terrorism and organized crime—have become judges of the Chilean situation before international forums.

Gentlemen: The respect for human rights has been the main concern of this government. Within this context, we cannot but insist on an undeniable fact: that the intervention of the Armed Forces and forces of order was demanded by the majority of the citizenry who were witnessing how the country was being dragged to a confrontation among brothers in which a million Chileans would have died. Many politicians who are currently assuming ambiguous positions, to say the least, were incapable of arresting the totalitarian communist offensive through the normal means of our old institutional order which had already been violated by the Marxist-Leninists. The need to calm the atmosphere forced us to adopt drastic measures, like forbidding some people from entering the country.

However, as wounds have healed and the political and social public order have been strengthened, we have gradually allowed those who were prohibited from entering the country to come back. One of the greatest paradoxes of the disinformation campaign staged and financed by international communism is that these same gentlemen who tour the world proclaiming that the situation in Chile is unbearable, in view of the conditions allegedly imposed by an alleged dictatorship, resort to any means to return to the country, even if they have to do so c'andestinely. Although in the so-called socialist countries people must raise iron walls, fences, and fortifications to impede inhabitants from escaping to freedom, everyone wants to return to Chile to enjoy freedom. [applause]

Fellow countrymen: The government I head has always sought to serve Chile and its people. We sought to achieve the well-being of all and the unity of the entire nation. We also sought to safeguard peace, order, and freedom.

Opposition parties that still refuse to accept the prevalent institutional system, which adheres to Western democratic principles, should acknowledge that this government has established the social, economic, and political foundations so that in the future, all may live in, and

perfect, a free and democratic society in keeping with our Christian and Western civilization way of life and with our traditional roots.

The government has been open to all those political sectors that respect the prevailing order and want to contribute to the development of the institutional system without resigning to their own interests.

We believe the task of building a stable Chilean democracy is not the responsibility of some, but of all Chileans. [passage omitted]

As we begin to review our economic accomplishments, I want to stress the fact that the country is now in its 4th year of high, sustained growth. In the first half of this year, the GDP reached its highest level since before the economic crisis; a crisis that is over, thanks to the efforts of all Chileans to overcome the negative impacts of the ups and downs of the world economy on our country. Today, Chile is an example through its capacity to create jobs, as well as through the stability of prices despite the inevitable process of readjustment they have gone through in recent years. Despite the rise in foreign exchange rates that this process caused, Chile has kept inflation under control.

In the first months of this year, external factors, such as the devaluation of the dollar, the increase in oil prices; and domestic factors, such as the increase in sales that surpassed projections had an effect on the inflation rate. With the purpose of curbing the increase in inflation beyond reasonable limits, in March the government adopted the necessary measures to slow down the growth of liquidity in the economy. The fear that the process might lead to a significant rise in inflation no longer exists today. The country now enjoys price stability that is exemplary in Latin America. We Chileans know the evil of inflation, which, if allowed to run away, imposes a heavier burden on workers, affects the sources of jobs, blunts the entrepreneurial impetus, and in general causes instability. Therefore, today I reassert the government's permanent determination to head off the inflationary processes that end up mortgaging the possibilities for the country's progress.

The modernization of the country's economic structure is a reality in every productive sector. This modernization has been greatly aided by an outward strategy. This strategy has been emphasized by the government in recent years. We have thus implemented a realistic foreign exchange policy that has made it possible to maintain a high level of real parity. In addition, a law has been dictated to implement a customs tariffs policy that ensures stability for making investment decisions, as well as to turn exports into the driving force of our development.

The diversification of our foreign trade has made it possible for the country to be less exposed to the fluctuations of the world economy, thereby providing more stability for future growth. Today, copper only represents 41 percent of our total exports, while it represented 82 percent in 1973. [applause] The importance of this transformation is not only economic, but more importantly, political. History teaches us how, in the wake of international economic crises—which have battered Chile with particular force as the result of its single-product export trade—the preachers of the class struggle and their naive followers promoted socialism, thus stifling the creative and enterprising Chilean spirit.

The policy of promoting our exports and the private enterprise initiatives have made it possible for the industrial sector to contribute 25.1 percent to the total volume of exports in the first half of this year. The fishing sector has contributed 9 percent; the agricultural and forest sector 20.5 percent. This diversification will help to weaken the effects of the international economic cycles, thus strengthening the political ideas based on the individual's capacity to contribute to the country's spiritual and material progress. Along these lines, in the past year the government has set in motion new initiatives to accelerate this process. This is why Law 18634 was approved to encourage capital goods investments that generate export products, granting for the first time incentives to the suppliers of exporters.

Moreover, that law, by extending to exporters the benefit of preferential conditions in the past granted only to foreign suppliers, promotes domestic production of capital goods. It should be stressed that more than 11,000 enterprises in all sectors will benefit from the law, thus bringing small- and medium-size enterprises into the task of exporting. [applause]. For the same purpose, in order to facilitate required financing, Law 18645 which creates a guarantee fund for small- and medium-exporters, is in the final stages for its approval. This is a bill providing for the creation of a facility to grant credit export operations.

The results we have obtained indicate the merits of this new export drive the country has resumed. In the first 6 months of this year, our exports have earned for the country $2,415 million, representing an increase of 14.1 percent over the previous year. No doubt, these results have been significantly influenced by the law granting a 10 percent tax refund to minor exports. This is in fact a law that already existed and was modified to extend its positive implications.

Although our imports have noticeably increased in the first half of this year as a result of the growth in domestic activity, the level of our exports has ensured a surplus of $615 million for the first 7 months of the year. This figure is close to the total trade surplus of $690 million projected for the entire year. To regulate the macroeconomy, the government must try to ensure not only stable, but also sustained economic progress. In order to do this, a high level of domestic savings and investments is required. This in turn strengthens the country's production capacity in order to absorb the new workers who enter the labor market. The role of public savings and investments is relevant in this regard because of the sizable state operations.

Austerity in the public sector and selectivity in the quantity of investments, which may amount to 200 million pesos this year, will encourage growth, thus offering a better standard of living to the Chilean people. Likewise, through broader measures, such as the tax and social security policies, private saving is being encouraged. In this regard, the consolidation of the tax reform that exempted investments by individuals and enterprises; the recently modified treatment for the construction sector; and the value-added tax, which should represent a new stimulus to investments in this sector, deserve special mention. The capital market should play an important role in the continuing advancement of this area. Moreover, in the last year the process of strengthening the capital base and privatization of banks has been completed.

The law on banks had been modernized so that the public can be better informed about banking operations, and so that the solvency problems of financial institutions can have private solutions. All these actions will contribute to our attaining an internal savings rate this year of about 10.3 percent of the GDP, which, compared with the 1984 rate of 2.9 percent, reveals the great effort the country is making to finance its progress. The private sector is responding positively to the challenge to increase investments, and thus the foreign exchange spent during the first months of this year to purchase capital goods abroad has been 53 percent higher than that spent during the same period in 1986.

As the country's development and the stability of its policies become apparent, new projects are undertaken by Chilean entrepreneurs. To them are added an increasing number of foreign investors who, taking advantage of Decree-Law 600 and the mechanism of foreign-debt conversion, have made investments of $523 million in the Chilean economy during the first half of this year. Our efforts have yielded fruits, and today the country is investing 16 percent of the GDP, a percentage that is higher than the average historical rate. Consequently, the GDP growth, which was 6 percent during the first half of 1987—higher than the rate for the same period in 1986—will be strengthened and consolidated.

In the financial area, the prudent management of monetary policy, the gradual reduction of the public deficit, and the increase in aggregate savings have provided the foundations for a real interest rate that favors investment and the servicing of the (?internal) debt. Special attention was given to alleviating the debts of small- and medium-sized businessmen and home buyers. In the case of small- and medium-sized businessmen, their debt was reprogrammed at the beginning of the year through a joint arrangement made by public agencies, sector representatives, and the Economic and Social Council. This program provided benefits through a special mechanism to businessmen with debts under 10 million pesos. Through the financial system, home buyers debts were also programmed beginning in late 1986. In the first 6 months of this year, 72 percent of these debtors took advantage of better interest rates and the extension of payment periods to cover their obligations. Mention must also be made of the debt reduction program in cases that have been reviewed by the Housing and Urban Ministry during this period.

Significant steps have been taken this year to consolidate our external economic position. Thanks to the growth of our foreign trade, the appropriate management of our foreign debt, and the flow of resources into the country from international financial organizations, the private sector was able to finance new investment projects. Moreover, the country's gross foreign reserves in the Central Bank in July stood at $2,739 million, an increase of 6-7 percent in 12 months. The mechanism of converting debt documents into capital goods has strengthened the country's position in the international financial markets. In this manner, and by taking advantage of the discounts at which the foreign debt documents are negotiated, we have reduced our financial obligations by $1.98 billion.

The obvious economic progress the country has experienced in recent years, which is internationally recognized in specialized circles, could not have been attained without the efforts of all Chileans. Individual initiative and a policy that fosters that initiative have been the foundation for the achievements we have been reviewing. The government is determined to give added impetus to this progress by increasing the number of asset owners. In the past year, about 100,000 people have become shareholders in major national enterprises. And I want to stress on this solemn occasion that we will continue giving workers a preferential opportunity to own shares in the companies for which they work. [applause]

The stability and consistency of the economic policy has allowed the participation of labor in the GDP to climb to 44 percent this year, compared to 41.1 percent 2 years ago. In order to reinforce this trend, the government has set in motion new public investments that are labor-intensive and directed toward the less-skilled labor sectors, so that workers in government programs can be transferred to private-sector jobs, thus bringing down the unemployment rate. We can observe with satisfaction today that the economy is generating new and stable jobs and that, in 1986, salaries began to climb moderately in real terms. The priority given to job creation together with austerity in the public sector have made it possible to grant a salary readjustment to public servants on 1 September instead of a later date. Public servants in the lower-income brackets will thus be granted a 16-percent salary readjustment. The minimum salary has been readjusted by 12 percent. On this occasion, I can announce that I have sent to the legislative body a bill granting a special salary bonus to all public servants, including those who have retired. This bonus is granted to recognize them as we celebrate our national holiday. [applause] As in previous years, this bonus will be a family allowance based on the number of dependents, with one family allowance per worker. The total outlay for granting this bonus will be 2 billion pesos.

Ladies and gentlemen:

The country is advancing down the road of progress with determination. The timeliness of our policies and the everyone's personal efforts will ensure the continuity of this process and guarantee all Chileans, particularly those with the lowest incomes, the resources to lead a materially and spiritually better life. [passage omitted]

Foreign affairs: Many efforts have been made in the field of foreign affairs to increase Chile's participation in world affairs while staunchly preserving national interests. Chile's international policy has maintained its traditional respect for the basic principles of international law, namely, the absolute respect for international treaties and accords in effect, equality among states, and the peaceful solution of conflicts. Total respect is also accorded to self-determination and noninterference in the domestic affairs of other states. In keeping with this, Chile's foreign policy is based on international cooperation and integration with Latin American countries.

For the first time in Chile's history, we had the privilege of welcoming the pope, who visited our country for 6 days. While staying in Chile, the Holy Father conveyed to us the true message of the church based on the values that constitute the foundation of the Catholic faith and give shape and strength to the Catholic Church. The visits that the pope paid to several Chilean cities evoked interest and spontaneous affection among the Chilean people, who on many occasions ratified their profound respect for his holiness.

The Chilean Government had the honor of meeting with his holiness John Paul II and took advantage of the occasion to convey to him its gratitude for helping to find a peaceful solution to the southern conflict, and for paving the way to harmony between the peoples of Chile and Argentina. The pope's words constituted decisive encouragement for the government's efforts in the quest for the development of the nation and for its actions to help out those in need. Furthermore, the government was able to confirm that his holiness' message coincides with the Christian principles and values that shape our national way of life and have provided the foundation for our new institutional order. This encourages and comforts us. [applause]

These important principles are clearly outlined in the Constitution: freedom, public and private morality, the role of the family, the value of life, and respect for human dignity. Holy Father, we shall always be grateful for your visit. [applause]

Chile has always given special importance to relations that can further Latin American cooperation in order to overcome disagreements and find solutions to regional problems. Thus, we have sought to strengthen our relations with neighboring nations through the development of methods for rapprochement compatible with mutual interests and with strict respect for treaties in effect.

Our relations with Argentina, channeled through the binational commission established by the Peace and Friendship Treaty are marked by the quest for economic cooperation and physical integration in keeping with the Holy Father's call for a solid and lasting relationship between the two nations.

A dialogue has been maintained with Peru on issues that interest both nations, and the people have been kept duly informed of all developments in this field. We want to continue our negotiations with that nation in order to improve our bilateral relations even further.

The citizenry has also been fully informed about the contacts between Chile and Bolivia. In 1986 and during the initial months of 1987, despite the lack of formal bilateral relations, the Bolivian Government made certain demands in April 1987 pursuant to the talks held between the foreign ministers of the two countries in Montevideo. These demands reflected the fact that on this important issue the government of La Paz had excessive aspirations.

Thus, Chile felt that it was a matter of loyalty toward the Bolivian people to prevent the growth of expectations regarding impossible proposals, which were harmful to Chilean national interests. I do want to emphasize, however, that no landlocked country has ever enjoyed such favorable conditions of transit through another country's territory as those that Chile has been giving Bolivia since 1904. These conditions can be improved further if our neighbors are willing to see Chile's predisposition in this regard in a more objective and realistic light, [applause]

I would like to add that Chile is prepared to continue with the meetings of the binational commission which was created by mutual agreement in September 1986. This commission managed to hold two sessions, one in La Paz and the other in Santiago, opening valuable channels for rapprochement.

Regarding relations with the United States, and despite the many examples of mutual cooperation, like the tacit U.S. support in the international financial organizations and our cooperation by lending them the use of our Easter Island airport, we cannot ignore the actions of certain sectors interested in misinforming the public about Chilean realities.

Because of the political activity carried out by opposition groups, some U.S. Government officials, who have made incredibly superficial and invalid judgments against the Chilean Government, and they have supported some unfortunate events that are not related to the Chilean Government. [applause]

Notwithstanding this, we are convinced that the ties of friendship between Chile and the United States will continue on the path of understanding and cooperation because we are united by the same commitments to freedom in the struggle against the Soviet Union. [applause]

We have continued to improve our relations with West European countries. Our efforts in this particular field have been directed basically at strengthening our good

commercial and cultural relations as the basis for greater general understanding. Thus, despite the giant disinformation campaign launched by Moscow in 1973, which according to Western experts, has so far cost the Soviet Union over $200 million, our relations with West European nations are very good. The recent visit of the PRC foreign minister to Chile, our foreign minister's trip to Indonesia, and the recent visit that Chile's deputy foreign minister paid to Thailand, are important steps toward strengthening commercial and other ties with countries of the Pacific.

As part of this endeavor we have maintained positive contacts with institutions and organizations of the Pacific region and have participated in important regional events and meetings. Furthermore, there are interesting economic and commercial prospects with Australia and New Zealand. Businessmen of other countries have made large capital investments in Chile thus showing their confidence in our country's economic policy and future.

We have increased our presence in Africa through bilateral contacts and cooperation agreements aimed at laying the foundation for future commercial relations with that region.

In the Middle East, we support the quest for a peaceful and lasting solution to the conflict that is taking place there. Any agreement in this regard must be based on Resolution 242 of the UN Security Council, which provides for, among other things, the right of all the states in that region to enjoy safe borders and international guarantees.

Chile has actively participated in multilateral regional and world forums, especially in those organizations that deal with issues related to outer space, the law of the sea, and Antarctica—all of which are closely related to the sovereign use of natural resources, and the permanent interests that Chile has in Antarctica.

We deeply appreciate the UN Security Council accord aimed at finding an approach that could end the Iran-Iraq war, and we hope the lofty objectives that led to the approval of this accord will be attained.

Regarding international economic affairs, the Chilean Government has done its best to convey a clear picture abroad of the dynamism and progress that the nation's economy has achieved. For this purpose it has carried out actions aimed at increasing and diversifying exports, opening new markets, encouraging the flow of foreign investments into Chile and seeking the support of international credit agencies for our economic (?program).

Chile will continue to firmly oppose any protectionist measures that go against free trade. In keeping with its willingness to cooperate with international organizations, Chile reiterates its respect for and promotion of human rights and its desire to continue cooperating with international organizations in this field. We are willing to do this despite the resolutions issued by the UN Human Rights Commission and the UN General Assembly, resolutions which openly discriminate against our country. We attribute them to the ongoing disinformation campaign and the political attitude of the Soviet regime, which uses its influence on many countries that belong to the United Nations.

Because of this, we demand once again the implementation of a universal system of assessment for the respect for human rights through unbiased, objective procedures free from political overtones. [applause]

Chileans, the scope and solidness of our endeavors, some of which we have included in this state-of-the-nation address, is to be ascribed to the coherence of the institutional process launched on 11 September 1973. We must look around and see what is happening in so many parts of our world and on our own continent to realize how solid and well-rooted the modernization that this government has implemented is.

The hatred, lies, and violence that we have endured so many times has not disrupted the obvious development of our economy, society, culture, and political structure. Our democracy is not restricted, as in the past, to the mere act of voting. It goes beyond that because it allows the participation of the various mid-level organizations, which thus play a truly responsible role in building the future of the nation.

However, you must all bear in mind that the solid institutional structure which is being built could be damaged in its early stages by the regressive actions of those who do not want a free society. Thus, it is the responsibility of this government to continue beyond the current period in order to provide the citizenry with an option of stability, solidness and concrete achievements. All those who believe in freedom must commit themselves without reservations. [applause]

Fellow countrymen, the upcoming plebiscite, a unique step in the process of our political evolution, is more than the mere election of a person. In fact, it constitutes an actual opportunity to ask the people for their evaluation of the work done and this means the citizenry can approve it or reject it. As an electoral method, the plebiscite is an exceptional mechanism which will be used only at this stage of consolidation because this is what the constitution provides for. It will be a way to elect the constitutional president for the next term freely, knowledgeably, and [word indistinct] without getting involved in the heat of an electoral campaign fraught with personal confrontations that would be very harmful at the initial stage of full democracy. [applause]

There is something that is not understood by those who believe there should be a competitive election with several candidates instead of a plebiscite. The commanders in chief of the Armed Forces and the Carabineros director general, as promoters of the institutional system, have the obligation to submit to the people their

serious and responsible opinion regarding the future of Chile. They will do so through the nomination of a candidate that will be able to give a broad guarantee of stability to the country. Considering the opposition's lack of political proposals or definitions over substantial issues, it would not be a responsible position at the present to allow in Chile a multi-party election that would only result in damagoguery and in a return to old habits and plots. [applause]

Resorting to their old-time slogans, certain political sectors have joined forces to raise objections to the mechanism for presidential succession on the grounds that the plebiscite does not really reflect freedom. I ask them: How much more freedom do you want than being able to choose freely between carrying on with what has been accomplished or destroying the country by returning to the past? [applause]

How much more freedom do you want than allowing the citizens to freely destroy Chile's future? [applause]

The opposition has resorted to yet another highly demagogic strategy, which is to question the validity of the plebiscite in advance. Their plan, if they are defeated, is to say that the plebiscite was not honest. But if they win they will be willing to accept the results even though allegedly dishonest means may have been used against them. I am sure this unique type of political extortion—evil and irresponsible—is rejected by most of the people who do not pay heed to the meaningless rhetoric of old-time politicians.

Our country has no room for hesitation, mistakes, or inconsistency. There are certain facts that reflect our reality. The political parties must assume their share of responsibility for Chile's history. I want to call upon all of them today and ask them to reflect on the future of the nation for which all Chileans are responsible. It is our duty to build an institutional system capable of coping with the challenges of the future.

Democratic opposition sectors must be willing to participate in a serious and responsible manner, free from alien influences. The nation is watching them as they assume attitudes that reflect subordination to foreign interests. We Chileans will not take lessons from anyone, regardless of who it is. [applause] [passage omitted]

Fellow workers, Chile's passage into the next century poses new challenges and requires conditions that would make it possible for the Chilean people to move from the stage of modernization into the stage of building the future. Thus, we must lay a firm foundation for a truly free society. This must be accomplished during the 1989-1997 presidential term in office, which also will be the final stage for the consolidation of our institutional order as set forth in the national Constitution. To accomplish this there are seven challenges that must be met in key fields in order to create conditions essential for our future. The first of these challenges is to eradicate, once and for all, extreme poverty from this country. [applause]

The task of eradicating extreme poverty must involve all Chileans. We must all cooperate in the great national campaign against extreme poverty. We must not be lulled by the remarkable progress made in this field during 14 years of sustained efforts. In order to be ready to move into the next century, Chile must be free from extreme poverty.

If we take a look at the rest of the world, we will see that while some countries move ahead at full speed, others stagnate without being able to make headway. The successful countries are the ones that have realized that society must be organized in such a way that it will be able to take full advantage of the abilities of all its members.

Chile has made considerable progress compared to the sad and bleak situation that prevailed in 1973, a fact that it recognized by all. Our country cannot give up the opportunity it now has, because by improving our organizations we can join the winners, leaving behind the backward.

The second challenge or condition is to build the future, which implies organizing ourselves efficiently in order to cope with progress. The third condition is to perfect Chilean culture so that it can raise our national standing. The inhabitants of this country have things in common that go beyond the mere sharing of the same soil. Culture is the main bond of any society. It establishes the society's main values, influences its assessment of reality, and paves the way for coexistence. The history of our fatherland has given us values that came all the way from Spain. These values shape the Chilean way of life which the Armed and Police Forces have defended throughout the nation's history.

This is why the Chilean people, defenseless against the destruction of their values that was being perpetrated by the Marxist doctrine, on 11 September 1973 resorted to the institutions which they viewed as the main protectors of the national way of life. The Armed and Police Forces are guardians of Chile purest traditions. [applause]

To prevent the recurrence of past misdeeds, Chile's future development requires a certain basic consensus, but a consensus that allows for the natural differences among human beings.

The fourth [number as heard] condition to make the building of any future project feasible is scientific and technological development, which is the only means of coping with the amazing speed with which mankind and the world is moving forward. Creativity is necessary for progress but it is not enough. Scientific and technological developments improve the standards of living of the people and make it possible for nations to make progress.

Thus, the community must direct its efforts at scientific and technological endeavors. Today's world is increasingly more complex, and prosperity depends on ties with other nations. Our policies in various fields have brought

us closer to the rest of the world. Our overall progress, our desire for peace and our staunch defense of our sovereignty are building for Chile an international standing which will be universally acknowledged in the long run.

Truth always prevails in the end, and this will be the decisive factor in Chile's quest for a greater role in international affairs, the fifth indispensible condition for moving into the next century.

The policy of the government, its declaration of principles, and the 1980 national Constitution extol the supremacy of the individual over the state and assign him a key role in domestic affairs. There are 12 million Chileans thinking and building, not just a few. In order to prosper and move ahead, our country needs the creative ability of all its inhabitants. The progress of the country is a task for all of you, not just one man. [applause] [passage omitted]

Fellow countrymen, the government has done a great deal in all these years, but there is still a lot to be accomplished. Therefore, we must meet the challenge of the future with imagination and creativity [word indistinct] our minds, keeping in our hearts the heroic events of 11 September 1973. Let us join efforts and thoughts in the quest for greatness for our beloved fatherland.

Chile, our fatherland and our mother, which spans prairies, valleys, mountains and seas, and spawns strong men and courageous women is emerging victorious in the eyes of the world, which has sometimes failed to accurately assess the truth of its ideals. [applause]

Closing this address, I call upon God Almighty, who protected me on that 7 September [1986] when the end seemed so near and my heart bled at the death of five of my bodyguards and the pain of the wounded who still suffer from the consequences of the cowardly attack, asking Him to help this country that I love so much and to let me dedicate the life that He has given me to helping these people become a great, honorable and sovereign nation. Long live Chile. [lengthy applause, shouts: "bravo, bravo]"

PERU

Garcia Discusses Coup Rumors, Politics

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[Interview with President Alan Garcia Perez by unidentified reporters in Lima; date not given—recorded]

[Text] [Reporter] The Spanish newspaper *El Pais* reported that you had told the paper you would withdraw from politics in 1990 or, if possible, earlier. Could you explain this?

[Garcia] I said my presidential term ends in 1990. After that date, I will be a 40-year-old retired president. In addition, I said the post one holds is not what is important; the important thing is the job one wants to perform in politics. I should add that after my term ends, I intend to continue working to fulfill my party's objectives. I will continue working so that Peru will become more independent economically and politically, so that there will be less injustice in our fatherland, and so that the Peruvian economy will continue to grow gradually.

I believe it is obvious I must end my term in 1990, but from then on I will fulfill the duties assigned to me by my party or by the people.

[Reporter] Therefore, to report that you had said you may withdraw from politics before 1990 was an incorrect interpretation?

[Garcia] I believe such a statement is the interpretation of someone who wants me to withdraw sooner, or of someone who wants me to withdraw after my term ends.

[Reporter] Mr President, this same Spanish newspaper has reported that you said you will change the world with your youthful attitude.

[Garcia] What I have maintained is that some people believe the best philosophy is to create for themselves a comfortable position in the world. However, I believe a youthful attitude means not feeling defeated. A 70-year-old man may feel young if he does not feels defeated and if he is willing to change the world—not for his own benefit, but for the benefit of others. In this regard, I have said that I share the aspirations of young people around the world who want to improve the world for coming generations.

[Reporter] Mr President, reports about a military coup have reached the Senate. A left-wing legislator has reported these rumors about a military coup. Do you believe that under the present circumstances, such a coup would occur?

[Garcia] What I have heard is that funds are being gathered to instigate and back a military coup d'etat. As Armed Forces commander, I want to say that this is an insult to the Peruvian Armed Forces. To say funds are being gathered—someone has even mentioned exact figures—to buy the conscience of admirals and generals and to thus disrupt Peru's constitutional order seems to me an insult to our Armed Forces.

I say that the Armed Forces are not at the service of any banker, that the Armed Forces cannot be bought, and that the four oligarchies could not secure the Armed Forces' interest, which is solely the nation's defense.

I believe the Armed Forces, with their political experience from 12 years in power, know very well the danger of being in power when the source of power is not the people's will. The Armed Forces also know there cannot be national defense if there is no social justice and generalized well-being throughout the nation.

I want to make it clear that I view as very offensive to the generals, admirals, and colonels of this nation and people that some persons may say these officers can be bought and tempted to carry out a coup d'etat.

This is what I have to say as Armed Forces commander. I also want to dismiss any possibility of a coup. The Armed Forces are not at the service of the four oligarchies. There is no serious problem in Peru. There are only democratic discussions that reach all levels, and this is why they are democratic. They deal with the major changes we have proposed.

[Reporter] Should the people trust the generals?

[Garcia] The Peruvian people should trust their generals because they are generals of the Republic. They are ratified by the Senate. The people must have trust in the Armed Forces, which historically have been a tool of defense and discovery.

I insist—and someday I will expand on this—that Peru's true struggle began when Caceres marched to the Andes and discovered the peasant community, which he turned into soldiers. Peru's true struggle began when he discovered the true Peru, which was not the Peru of Lima that the Spaniards built 2 or 3 centuries earlier but the Andean Peru: the Peru with the culture of the masses; the Peru where so many people lived and where any invader would have lost any war.

So Peru has derived from its Army not only national defense but also a deepening into the heart of Peru.

In this sense, I have full and absolute trust in the Armed Forces. I defend them from their detractors. I do not agree with those who say that the Armed Forces can be bought like a commercial good, that a general or admiral can be bought for a fistful of dollars, or that soldiers will obey a fistful of dollars.

This is an insult that I, as Armed Forces commander, reject.

I believe we also have to defend our Armed Forces from other kind of detractors now that we are seriously and actively struggling against the subversion that is upsetting the country and bringing mourning to so many homes. The Armed Forces and the police have a role to play. They must play that role, and this why there are many critics and detractors.

I disagree with those who say the Armed Forces can be bought and with those who say the Armed Forces commit crimes and do terrible things. Errors and abuses can be committed by individuals and must be pointed out, but we cannot attribute them to national and respectable institutions.

Government To Renegotiate Debt with GDR

PA121407 Lima Domestic Service in Spanish 1730 GMT 11 Sep 87

[Text] Peru will renegotiate its debt with the GDR. The Peruvian Government approved the agreement, and officials representing the two countries signed it in June. Through this agreement, Peru pledged to pay off commitments due through 31 December 1986 by shipping Peruvian products to the GDR.

It was agreed that this year Peru will pay the GDR $3.1 million. After 1988, the two parties will establish the amount to be paid by 1 February each year. This is stated in the legislative decree published in the official *El Peruano* newspaper.

Power Outage Reported in Lima; Cause Unknown

PA160216 Paris AFP in Spanish 0129 GMT 16 Sep 87

[Text] Lima, 15 Sep (AFP)—Numerous neighborhoods south and north of Lima and the city of Chiclayo, 800 km north of Lima, were without electricity tonight due to a power outage that began at 1929 [0029 GMT].

According to reports received from various parts of the capital, explosions were not heard. Therefore, it is believed that if the power outage was caused by terrorists the attacks may have occurred in the Andean region.

Several radio and television stations stopped transmitting for almost half and hour, but later returned to normal. The police were immediately mobilized to maintain order.

Lima and the central region of the Peruvian coast are supplied from the Mantaro Hydroelectric Plant, 500 km east of the capital. The terrorists usually blow up high-tension towers in the Andean region to cause outages and to carry out attacks.

Citibank Branch in Lima Bombed, No Injuries

PA141824 Caracas Television Service in Spanish 1600 GMT 14 Sep 87

[Text] Dynamite exploded this morning in a Citibank branch in Lima, causing heavy damage but no casualties, according to latest reports. This is the third attack against foreign banks in Lima in the last 20 days. The Peruvian police believe that members of the Tupac Amaru Revolutionary Movement are responsible for the attack.